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What to do?

To design and promote The Venice-Padua-treviso Metro Region Brand (the VPT)

Why is a regional brand needed?

In a global world, where regions are becoming the main territorial development units and where markets, in terms of either acquiring or offering products and services, look up at additional options beyond their borders, it is required to give each region a distinguishing mark that differentiates one region from another. The Venice-Padua-Treviso Metro Region (VPT) is a very good example and perfect fit where this theory may apply since VPT offers a great variety of economic, tourist and social development options and has the potential to adopt a regional brand.

There are several reasons to support the idea of branding the Venice-Padua-Treviso Region. In the first place a regional brand may foster territorial identity among citizens, entrepreneurs and governments of both rural and urban areas, therefore facilitating regional governance. The relevance of this initiative lays upon the capabilities that are created on a cooperative win-win relationship among government and society, where citizens and private sector organizations are empowered to shape public policy, follow up its implementation and evaluate its results.

In the second place, but not less important, a brand name could offer an image of the region for visitors and potential investors. This impression should portray the opportunities and advantages that the Venice-Padua-Treviso Metro Region offers over other regions; it ought to convey the main characteristics that differentiate it from the other ones. This image may be that of a territory that offers industry services, knowledge and networking opportunities regarding specific economic sectors while tourist and leisure attractions are offered to executives working at that region or to client and supplier representatives during a business trip. This also may work in an opposite way, where tourism is attracted to this area not just because of its historic places and landscapes but also for the outlets and lower price products and services that could be offered by the industry and medium size enterprises located in it. A perception of this region could be that of a territory where business life may mix with pleasure and vice versa.

These advantages turn to be a milestone to help the VPT region to stand in a specified place in the European market and in the global network, and to promote the region's awareness of its relative position compared to others as well as to set forth the uniqueness of this region.

How to do it?

The means to reach these objectives could be based on the following aspects that rely principally on the concept of a region as a well balanced polycentric urban and rural system with great potential for complementary development, on the conception of identity axis of the region and on a comprehensive brand name that refers to the whole region, including its main cities and rural areas, instead of referring only to Venice.

The conception of identity axis should be fostered as the main characteristics and as means of strategic planning and marketing of the VPT region:

i. *Arts, crafts and industry* that offer the opportunity of establishing new business, creating supply chains, introducing small and medium size enterprises, identifying specific production of the region, generating clusters, among other benefits;

ii. *Commerce*, such as outlets, whose products and services are provided by the main regional factories and give a particular distinctive to the region where most visitors or clients may find a great variety of products within a certain sector or activity.

iii. *Culture*, such as industrial and architectural heritage, for instance, the old factories that still stand in the north-east side of the region that are part of the scene and remain as a reminiscence of the tradition and work related to the regional art and heritage of its productive activity; and

iv. *Landscape*, either natural or built up, that complements all the services and attractions mentioned before and offers another option for leisure and traveling as specific destinations or as optional ones while commuting.

The regional branding is aimed to attract both international and national visitors and investors, in this sense the brand formation process should create interest in the region from the beginning and involve both international and national communities in every stage.

Finally, establishing a Council for the development of the VPT Region is required in order to promote governance and collaboration between government and society. This may include representatives of private and public sectors, citizens, icon personalities, main economical activities, among others.

What is the basis for such a policy?

The branding region policy emerges from both the need to reduce the unemployment rate and the available assets of the Veneto-Padua-Treviso Region.

1. The need to reduce the unemployment rate

During the past three decades the success of the Veneto Region in industry and tourism activities has attracted a large quantity of all kind of workers. Currently the Venice Metro region has a population growth rate of 1.2%, above the media in Italy (0.8%). Even though in the past, the region has attracted large immigrant flows, most of them entrepreneurs, as an effect of the world economic crisis, nowadays there is a lack of permanent employment in the region, especially in the manufacturing industry. The last unemployment rate registered is about 4.2%.

2. The regional assets

The VPT Region has a number of positive features that could help launch the region's brand. Some of these include the strong tourist tradition which can be used to make a profit. Additionally it is the first tourist region in Italy and one of the most popular destinations from the world: in 2007 the region registered 60 million of arrivals. The Veneto has a regional GDP of 135,000 millions of euros and most of this income is related with tourism industry. So it is a real strength of the region that could be raised up to foster economic growth from its regional attractive sites and the specificity of some tourist towns and villages complementary to those of Venice. Additionally, the region could attract more cultural, adventure and ecotourism visitors.

It is unquestionable that the Veneto has a cultural background and world celebrities recognized all over the world. Venice attracts thousand of tourists every year just with some of the main well known attractions: the Venice Carnival, the Venice International Film Festival or the Venice Bienale. Celebrities like Marco Polo, Antonio Canal -el Canaletto-, Tiziano Vecellio, Antonio Vivaldi, Giotto, among many others, are also directly related to the area. These incomparable cultural assets are advantages for the regional brand.

The regional branding is a mechanism that promotes territorial unity between the citizens, entrepreneurs, and governments. The use of a regional brand for the VPT region will help to reinforce the identity and the competitiveness of the partners. It could stimulate a regional innovation process and create synergies among the participants to reach common objectives and goals. Regional branding will improve the governance and could help region's sustainability.

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To talk about the environmental dimension of the Venice review we should start by describing what it is called the Third Italy Model. This is a model based on SME on rural areas, where the traditional family farms became family small industries and now small services enterprises (capanoni) creating a sprawl model of development (citta diffusa). This model creates what we can call a non-rational economic demand of a permanent infrastructure extension (water supply, sewage treatment, energy supply, transport networks).

With this reality, there is a lack of awareness from all the different actors to the real value of environment and environmental services. With the sprawling of activities we have a real problem in terms of diffused pollution, unknown water abstraction and water discharges, with an uncertainty on water resources quantity and quality. The problem is how can the Venice authorities engage so many different actors (thousands of SME, the different levels of administrations and the populations) to fulfil the Polluter Pays Principle or the User Pays Principle, so that real costs and benefits can be taking into consideration in the decision making processes?

Continuing to talk about water but starting with the discussion on climate change, let me pay tribute to the huge works that you are conducting in terms of the barrier system (Mose project). When OECD was in Venice in 94, for the Environmental Performance Review, we also discussed this project, and let me underline your very good performance when we see that you have already accomplish almost 60% of the total works. And independently from the civil engineering point of view, I must confess that this a very good project of adaptation to a new reality, as it allows the continuity of the regular activities inside the Lagoon instead of closing the sensitive area to any activity. With all the past of heavy pollution coming from industries, the agriculture runoff and the Venice sewage discharges, the intensive movement due to the Venice Harbour was another factor to put more stress in this sensitive area. The recovery at all levels of the Lagoon quality is part of this new program of action.

But the Venice region, with this level of development, has an ethical responsibility versus the Climate Change issue.

We were talking about actions on climate change but on the adaptation dimension. Venice should also act on the mitigation dimension. Coming back to the Third Italy Model, this Polycentric system demands a special and complex connections networks, with intermodal strategies using road, train, air and sea systems of transportation. And we all know the big efforts that the Authorities are implementing, but that are not sufficient for now. Another example can be shown with your initiatives on renewables like on the Fusina Station on Hydrogen and the solar and wind use. The question is again on the way you can involve all the different actors on the construction of a coherent common policy that more than the use of renewables, you can also have a new “cluster” of renewables providing another new direction for the regional development strategies.

As a conclusion, and starting with this sprawled model, it needs a consolidation in terms of reducing the land consumption trying to densify the economic value creation. This strategy can be a win-win approach perhaps with more than two dimensions. The concentration of activities can reduce the efforts on the infrastructure extension, cutting the costs of many of the environmental services and improving the efficiency of those services. The need for travelling should also decrease and the scale effect could also be very positive in terms of all the social and economical services that the administration must provide to the communities. Even the need of enforcement of the Laws would be more efficient as the Inspectorates activities could be more rational.

The challenge for the Venice Authorities is how to reinforce the planning system on Land Use and for instance on Water Management, and how to guarantee a correct implementation. But more important, it is to create synergies in the different levels of planning to achieve the full integration of the planning processes on land use, water management and permitting of economic activities.

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I was not fortunate enough to participate in the peer review of Venice, but I've read the thoughtful submission from the American from Chicago. I should say, however, that if you're ever in need of an American government official to come and opine on economic development matters, I'd be happy to volunteer for that assignment. Having travelled to Venice in the past, I know what an extraordinary part of the world you're from. Nevertheless, I hope that you may have the opportunity to communicate directly with Dr. Pressl regarding his really very thoughtful input to the review. I thought he did a tremendous job.

But today, rather than try to convey his points, for which I'm confident that I cannot do justice, I will offer a few observations from my own review of the material and from perhaps the U.S. experience as well. It strikes me in looking over the Review, that among the primary needs of Venice, that education and workforce development really seem to be at the heart of the needs of the region and this of course is not uncommon across the member nations here. We frequently grapple with these issues in our committee.

The importance of developing links between universities and the private sector cannot be emphasised enough. In the U.S. experience, this has been important for a couple of different reasons. One is the need to really target training and development to the needs of the firms and given your very large and diverse small enterprise base, I think that this could be a particularly powerful and compelling economic driver. And second is really the ability to take advantage of new innovations for which that type of training and opportunity and education is so critically important.

The emphasis on education would also help to address one of the deficiencies, that being the low rate of tertiary education. In fact, it would position you better for long-term economic opportunity throughout the region.

Finally, I would note that the U.S. experience in the evolution of the textile industry in the southeastern United States might be an instructive case for Venice or at least offer some examples for which you might be able to take away some lessons. In the United States, an enormous amount of offshoring of the textile industry occurred in the 1990s and the region has, in many ways, repositioned itself to take advantage of opportunities in the knowledge-based economy and

other emerging industrial clusters such as health care and other sectors. And it did this very deliberately and very strategically. And it was kind of a multi-staged process and it has evolved over a long period of time. There was no quick fix to the dislocation that occurred. It really has taken a decade or more to get us to the point where we're making some initial and very substantive infrastructure investments in this next generation of industries.

The process started with a very comprehensive review which resulted in a comprehensive regional economic development strategy which reviewed the strengths, weaknesses, the opportunities, and the threats after the textile dislocations occurred. Following that, and having identified opportunities to move forward, my bureau at commerce and other agencies made some very strategic investments, again in workforce development where they linked up with community colleges, vocational schools, and universities to put in place some workforce training and development centers in some of these emerging sectors. That, in fact, allowed the workforce that was previously involved in the textile industry to begin retooling their skills. At the same time, some strategic investments were made with some universities for business incubation and entrepreneurial programs to allow new opportunities to begin germinating and evolving. This in fact has been very successful and some of these businesses are to the point where they're expanding and are looking to make the next generation of investments that will lead to further economic growth and development.

I think it's worth considering in an economy that continues to transition the applicability of strategies such as this to your region as well.

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Introduction

Two areas, where EU support has the potential to contribute substantially to the development of the Venice city region, are:

- 1) The implementation of EU cohesion policy, enhancing economic development and the improvement of the regional innovation system.
- 2) Options to improve the integration of the Venice city region in the European transport system, especially of its port, by measures co-funded by the Trans-European Transport Networks

Economic Development / Background (1)

Veneto's economy benefits from a high concentration of small and medium-sized enterprises, which are often geared towards export. This network of family run exporting firms, which is also called the "Veneto model", is found mainly in the central plain area, which also forms the heart of a possible Venice metropolitan area.

However, the large share of micro-enterprises will be increasingly a challenge as companies have to compete more and more on a global scale.

Additional challenges (report findings)

- *A specific approach towards SMEs is required given their predominance in the Venice cityregion economy.*
- *There is evidence from Veneto that those small firms that are able to engage with higher levels of technology are likely to be more successful (Chiarvesio et al., 2009).*
- *Currently, there is a robust level of cooperation between small firms and district-level vocational training institutes.*
- *However, these institutes tend to concentrate on reproducing existing techniques and craftsmanship, which makes them poorly positioned to assist firms access radical new innovations.*
- *Likewise, the connection between SMEs and the research community is rather weak and many firms remain disarticulated from the broader tendencies of managerial and productive restructuring that are taking place throughout the regional economy.*

- *Many SMEs have not been able to promote a significant process of technological modernization and innovation, particularly with respect to marketing, and their efforts to interact with universities and research centres have been quite low.*

Economic development / Background (2)

Many industrial or manufacturing activities take place in sectors not usually very innovative in terms of new technologies. A strong sector, for example, remains to be the textile industry, which is particularly open to competition from emerging economies.

The Veneto Region has therefore used support from the EU to fund the launching of its new regional innovation system. Committed to the EU Lisbon Strategy, Veneto has made innovation a priority, targeting 42% of total EU funding to innovation-related initiatives.

EU-sponsored regional innovation projects in Veneto (1)

The first example is the environmental upgrading of the Porto Marghera area in Venice, by support the European Regional Development Fund, the ERDF. At this site the Scientific and Technological Park, called the Venice Gateway – VEGA, has been developed, with the task of providing assistance to companies wishing to develop innovative sectors, especially computer science and multimedia services. The site is located in a declining industrial area of Mestre, takes advantage of existing infrastructure, and provides a reference for both innovation incubation and brownfields redevelopment in the Venice city-region.

Report concludes, however, Innovation policy should not be exclusively targeted at science parks given that evaluation studies had not confirmed their significance for innovation (p. 86). Another example is the “Nanotechnology Fabrication Facility” (NanoFab). NanoFab seeks to transfer technological knowledge and results of industrial research to firms, especially local companies involved in heavy industry, *for example* the petrochemical industry. During its first year (2006), the facility participated in approximately 40 projects designed by regional companies and participated in three projects submitted to the 7th EU Framework Research Programme in 2007.

Infrastructure / port of Venice

Despite Venice’s central location in Europe, its connection to the European transport networks could still be improved. Especially its port is currently not able to exploit the potential of its natural hinterland in North-Eastern Italy, Austria, Southern Germany and beyond. Improved rail transport

infrastructure and inter-modal transport opportunities are crucial in this respect. The Trans-European rail network projects relevant for Venice received the highest contributions from the TEN-T budget, EUR 960 and EUR 755 million.

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First I congratulate the secretariat on this excellent review, which comprehensively describes the challenges Venice faces.

Japanese coastal areas have issues to be tackled in common with Venice. Adaptation to climate change is a very serious problem and vital for Venice. I agree that the Mose project is an imperative and lifeline project for Venice, protecting the city of world heritage from rising sea level.

An unique event called “the Summit of World Zero-meter Cities” was held last December in Japan, the members of which included City of Venice, New Orleans, Bangkok, etc. The event was very successful and the participating cities and provinces agreed to cooperate to counter the “threat of higher water levels” with sustained action. If a global warming proceeds more rapidly and unexpectedly, disasters beyond imagination or unknown phenomena might occur in coastal cities and attack the human habitation. Yet, from the civil engineering point of view, the flood protection of zero-meter areas still faces serious problems to solve, such as how to arrange a sewage system under the sea surface and how to avoid the pollution of sea water by drainage. We would be grateful to continuously share our knowledge and experience with you in order to tackle the climate change.

Lastly, some of you might know that a former 17th century custom house, standing just opposite Plaza San Marco, was renovated by a famous Japanese architect, Tadao Ando, and converted into a contemporary art center, called “Punta della Dogana”. Let me say that in Japanese architecture circles this was regarded as a great honor.

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“We Are All Venetians Now”. These words were written by architect Witold Rybczynski who observed in 2003 that Venice was becoming a node in a global economy marked by flows of tourists, workers, capital, and knowledge. This quote not only attests to the metropolitan interconnectedness of the world, but captures the zeitgeist of this committee’s comparative approach over the past decade.

This Review indeed depicts Venice as one node in the north-east Italian, European, and global systems. It is a city-region that, because of its geography and demographic patterns, confronts many challenges that other regions feel free to ignore. Yet, as an increasingly integral part of the global economy, Venice shares many of the problems that inevitably confront other cities throughout the OECD, such as immigrant assimilation, an ageing population, and vulnerability to flooding.

My remarks today will stress the importance of a metropolitan response to these three issues. Given that so many issues – from production systems to infrastructure – “spill over” multiple jurisdictions, a conceiving of the Venice city-region as one economic system could better inform policy. If cities are to be seen as “built thought”, the good news is that initiatives like the area’s Regional Metropolitan Railway System (Sistema Ferroviario Metropolitan Regionale) reveal an emerging metropolitan logic, which already is producing results. Nevertheless, building metropolitan synergies remains an unfinished project and cannot be confined to infrastructure provision alone. This brings me to three key areas where Venice could benefit from a metropolitan approach.

First, the Venice city-region has experienced a rapid influx of immigrants, whose assimilation depends on metropolitan-wide programs. Though at 8% the documented foreign-born population in the city-region is much lower than in neighbouring Munich (23%) or Vienna (17%), it is projected to more than double in less than 20 years. Few metropolitan regions have encountered such a meteoric rise. To effectively integrate these growing communities, authorities will need to reinforce and expand many of their promising programs, which have only recently been launched. Increasing the use of existing labour-matching services, which have been built to provide information to immigrants

and employers, remains a priority. As the service economy develops and highly skilled immigrants arrive in the Venice city-region, the accreditation of foreign qualifications and experience will also be of cardinal import. More sophisticated monitoring tools at the metropolitan level could be used to evaluate the implementation and outcome of integration programmes. Given the resources accorded to immigrant integration, it is puzzling that governments in the Venice city-region have not undertaken an exhaustive audit of the services that are provided. Improved monitoring could be achieved by adopting indicators for assessing integration governance structures, e.g. the performance of inter-departmental committees for immigrant assimilation, the public reporting of results of immigrant integration policy, and the cost-effectiveness of inter-departmental work on these themes. A more rigorous system is required, especially given that integration services – housing, education and employment – are all handled by different departments.

Second, the Venice city-region contains one of the oldest populations among OECD metro areas, which raises particular challenges of how to integrate older workers into the metropolitan labour force. Effects are particularly acute in Venice's historic centre, where the average age is 49 years old. Improvements could be made: in 2004, only about one-quarter of Veneto's workers between 55 and 64 were economically active, significantly less than the EU15 average of 42%. Well-designed vocational training designed for older workers could increase their employability throughout the metropolitan region. Older workers in the Venice city-region are particularly vulnerable, given their high activity rates in SMEs, which tend to offer less job-related training than larger businesses. Municipalities in the Venice city-region could adopt policies to help older workers find jobs and become better prepared for the latter stages of their careers. Such policies include the establishment of elderly employment support centres providing assistance to older workers interested in developing more flexible pathways to retirement. These services would need to be complemented by efforts such as information campaigns intended to overcome employers' reluctance to employing older workers.

Third, as we all know, Venice is burdened by extreme vulnerability to flooding whose complexity merits an ecosystem-based approach. The sensitivity of Venice derives both from geography – 75% of the province of Venice is below mean sea level – and the effects of climate change. The application of a metropolitan “climate lens” could materialise in concrete climate change action plans, which have

already been developed at the metropolitan level in London, Hanover and Portland. Climate change adaptation policy in the Venice city-region would be more effective if it were drafted and implemented at a regional scale, especially given the area's complex hydrological system, encompassing not only the 550 square kilometres of the Venice Lagoon, but over 1,000 kilometres of channels and 200 kilometres of coastline. In terms of water policy, greater support for multi-level governance strategies could economise service provision and maintenance. This might begin with voluntary and informal networking and might expand upon the recent success of water supply consolidation in the Venice city-region. Together, such efforts will better safeguard the Mediterranean's largest wetlands and some of the world's most prized cities. Given projections of rising sea levels, temperatures, and changes in Lagoon morphology, programmes for climatic resilience will require continual adaptation and refinement. As Dwight Eisenhower stressed when preparing for the invasion of Normandy during WWII, "Plans are nothing, planning is everything".

I'm convinced that the city-region is well positioned to reorient itself to confront the three challenges I have mentioned. The accumulated work in transportation, economic development, and infrastructure planning clearly shows that Venice is entering a new metropolitan era. This era – as with previous eras – will provide an optic to observe trends which surface throughout metropolitan areas in the OECD and beyond.

In 1972 Italo Calvino's *Invisible Cities* made this point elegantly. In this novel, Marco Polo tells Kublai Khan of his travels to countless cities of limitless scale and shape. In the end, they turn out to be different perspectives on the same city of Venice, which embodies different features of the world's urban heritage. When asked by Kublai Khan why he didn't specifically mention Venice, Marco Polo responded, "To distinguish the other cities' qualities, I must speak of a first city that remains implicit. For me it is Venice."

Venice is a bellwether for the future and a microcosm of the themes which emerged in each one of the city-region's analysed in the OECD Metropolitan Review series. We undoubtedly look forward to learning from the rich experience of this area in the future. After all, in a world of porous borders and expansive transnational networks, "we are all Venetians now".