

# A Regional Development Strategy for Gozo

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## Introduction

A consultation document on Gozo Regional Development Strategy for 2021-2030 that was launched in July by the Gozo Regional Development Authority (GRDA) will serve as a roadmap for future initiatives undertaken with respect to Gozo in the next ten years.

The draft strategy proposed on a number of key priority areas that are crucial for the future success of Gozo. These cover all aspects from social development, development of new industries to the islands' infrastructure, ensuring a holistic approach that safeguards and sustains the wellbeing of Gozo, its inhabitants, visitors, business investors, and future generations.

The GRDA has put forward for discussion over 80 measures across eight key priority areas, outlining how these and other measures will be incorporated following consultation. The key priority areas are Spatial Planning and Sustainable Urban Development; Infrastructure and Accessibility; Economic and Talent Development; New Economy; Sustainable Tourism; Social Development; Rural Development and Eco-Gozo and finally Culture, Heritage and the Arts.

## Why the Need of this Document?

The consultation document embraces a strategy that acknowledges that Gozo is a small island with economic and social specificities as well as challenges that arise from the combined effects of double insularity, environmental vulnerability, population density and limited resources. The inherent characteristics of Gozo, among which its smallness and double insularity, imply the need for specific interventions in order to rectify market frictions and barriers which inhibit its development on a level playing field with the rest of the national and EU economy.



Cover photo of the GRDA Regional Strategy for Gozo 2021-2030 Consultation Document.

On the other hand, Gozo possesses environmental and cultural assets whose sustainable use could be productively used for the development of the island as well as the national economy. A good use of such assets is fundamental in the long run development path for Gozo. A use that will enhance their potential, enrich the social fabric of the Island and also contribute to the economic growth.

This last point is important. Although the Gross Domestic Product per capita of Gozo is lower than that of Malta due to lower rates of employment and lower productivity, there is upside potential if we, collectively, take the right decisions to safeguard the mentioned assets and make such use of them in a way that help compensate other structural challenges.

The draft strategy document considers spatial planning as pivotal to Gozo's development. To successfully implement this vision, it is essential to factor in both costs and benefits to avoid damaging Gozo's long term potential. Due to its extremely small size, the use of space often brings with it an element of friction caused by different sectoral claims.

In this context, Gozo requires a balanced approach where land use planning and sectorial policies are more in line with each other, avoiding as much as possible, situations which compromise future options. Gozo has untapped potential and can provide numerous opportunities for business to grow while offering a high level of quality of life to its residents. Creating productive employment needs to be at the core of a long-term strategy that ensures the creation of wealth while safeguarding the interests of future generations.

Although economic activity generates economic growth, it is important that this is not carried out at the unnecessarily high expense of natural and cultural resources. Standards of living do not depend exclusively on income and the scale of productivity. In certain cases, islands like Gozo may offer a better quality of living based on other factors besides income and production.

It is therefore essential that such factors are acknowledged, supported and incentivised in a way that complements sustainable economic activity in Gozo. The island's core needs should be strengthened and supported. Social cohesion through solidarity and networking should be acknowledged and encouraged. The Gozo that the strategy document foresees for the next decade is one that builds on its strengths to become a destination of excellence where quality matters over quantity.

### **The Key Thoughts Behind the Document: Internal Consistency and Focus on the Long-term**

The draft regional strategy touches on a number of aspects and explores several dimensions. Two aspects were given particular attention: the importance that the document is internally consistent and that of having a long-term focus.

It is relatively easy to fall into the trap of isolating measures, especially when trying to present a rather holistic plan. It can often be the case that two or more particular measures are viewed positively when taken in isolation, but the results change when considered together. This is because one measure might have indirect results which offset the benefits generated from a separate measure. Hence, this draft strategy makes particular efforts to minimise such risks.

Gozo does not have the space to spare and cannot afford to accommodate every activity without a holistic approach from a planning perspective. The objective of the GRDA is to be a main actor in the research for a balance between the environment, economic and social aspects. The Regional Development Strategy will act as a guidance for all other regional and national policies, in terms of what outcomes are to be achieved, and minimise the risk of fragmentation between sectors and ensure that all the players are moving towards one unique goal, within the same set of parameters.

The second aspect is the focus on long-term solutions. In fact, the draft strategy, with its long-term approach based on accountability as well as checks and balances, strives to achieve the highest standards for Gozo and aims to take the island forward in a creative, sustainable and holistic way. This can be done while developing synergies with all stakeholders with a view to ensure a climate that is conducive to business development and the wellbeing of Gozitan society.

The following priority areas embrace the effort to protect the Gozitan lifestyle in full respect of its environment, resources, culture and identity and to ensure that all these play a significant part in presenting a vibrant community that attracts more visitors and investors to the island while sustaining the balance between economic growth and sustainable development.

### **The Priority Areas**

The first priority of the draft strategy document is 'Gozo Spatial Planning and Sustainable Urban Development'. Gozo necessitates a focused approach towards an integrated system where land use, planning and sectorial policies are



Gozo Regional Development Authority CEO, Mr Mario Borg, explaining the proposed vision for Gozo for the coming ten years.

in synergy with Gozo characteristics. Spatial planning should be providing an expression to the economic, social, cultural and environmental policies relevant to the island's balanced regional development.

Optimal use of land increases the chances that land is available for the future envisaged spatial development requirements. It also safeguards and enhances Gozo's unique cultural and natural characteristics, which are an important requirement for economic growth, capable of improving the quality of life.

The goals under this priority of the strategy document are the following: A better quality of life for the residents of Gozo and visitors; A natural network of open space to be enjoyed by the community; Safeguards the green open spaces between villages which are Gozo's green lungs; Ensures that the rural communities remain vibrant and alive; Manages economic development to one that is consistent with and true to sustainable development; Planning and building a sustainable environment that contributes to economic prosperity of present and future generations.

The second priority of the strategy document is 'Infrastructure and Accessibility'. Gozo's double insularity impacts on the movement of people and goods as well as the provision of services. Gozo's economic performance is hindered by constraints on production and the lack of diversification that makes the strengthening of connectivity a primary consideration. Improved connectivity is crucial to continue improving Gozo's productivity and is key for Gozo to close the development gap and to serve as the basis for socioeconomic development based on Gozo as a distinct island. This requires an approach based on sustaining resilient infrastructure that can enhance connectivity in a safe and enduring manner to enable competitiveness and overcome insularity.

The goals under the second priority of the strategy document are the following: Build safe and resilient infrastructure that meets Gozo's today as well as future needs; Improve accessibility and connectivity to overcome insularity and increase the productive capacity of the economy; Build safe and enduring infrastructure that enables Gozo to boost competitiveness including attracting inward knowledge-based investment; Work closely with lead ministries responsible for implementing core backbone infrastructure.

The third priority of the strategy document is 'Economic and Talent Development'. The Gozo economy has traditionally been centered around a few sectors. Over the last four decades, a shift towards services became more evident but a manufacturing base, albeit small, is still present and should be supported. Irrespective of the type of activity, human talent is central to economic development. Gozo can offer a quality lifestyle location of choice for work, education, innovation, culture, health and tourism. Gozo stands to gain by attracting talent and promoting the provision of training and skills learning, organisation and career development.

The goals under the third priority of the strategy document are the following: Create Productive Jobs; Make Gozo an attractive place to work; Close the development gap between Malta and Gozo through the creation of higher value-added employment; Provide opportunities for micro firms, which are prevalent for Gozo's economy to grow.

The fourth priority of the strategy document is 'New Economy'. A holistic approach designed specifically for the island of Gozo is required for the development of a digital and innovative ecosystem to establish the island of Gozo as a centre of excellence, research and innovation. Gozo has the potential to attract new, high growth industries that are on the cutting edge of technology and that can be an important driving force of economic growth and productivity. New products and services can be created using technology platforms and testing them in Gozo. The new economy can highly benefit from the second fibre optic cable and the Gozo Innovations Hub at Xewkija.

The goals under this priority include the following: Close the development gap between Malta and Gozo through the creation of higher value-added activities; Develop an eco-system of companies in the digital sector in Gozo; Attract talent required to allow these new economy sectors to expand to their full potential; Increase the overall competitiveness and resilience of the Gozitan economy; Establish Gozo as a centre of excellence in digital and technology innovation.

The fifth priority of the strategy document is 'Sustainable Tourism'. Tourism related activities generate considerable income and employment in the economy of Gozo. It is a pillar of Gozitan economy. At the same time, increased activity inevitably put pressures on the infrastructure and the environment. Thus, it is essential that more emphasis is made on the quality rather than on the quantity. This implies that certain type of tourism is incentivised and supported while monitoring takes place on other types of activities to be able to take corrective action when necessary to minimise any undesirable consequences.

The goals under this priority are the following: Increase the quality of visitors to Gozo and decrease seasonality; Improve the visitor's journey experience by partnering with the private sector to improve the Gozitan brand and product; Increase returning visitors; Create new 'anchor' attractions.

The sixth priority of the strategy document is 'Social Development'. Social sustainability and inclusion are central to improve the overall well-being and standard-of-living of every Gozitan citizen. Social

development is based on the willingness to nurture a people-centered culture that promotes equity, inclusivity, social justice, and sustainability to develop resilient and responsive Gozitan communities.

Social development addresses the specific and long-lasting demographic, economic, and environmental vulnerabilities of Gozo, by investing in citizens to increase social capital to enable shared prosperity. Future social development for sustainability and inclusion in Gozo will require all socio-political institutions and sociocultural systems to adjust their operational processes and practices to build up their abilities to withstand shocks to successfully meet the challenges of globalisation.

The goals under the sixth priority are: Strengthen Gozo's society and its communities' underlying social capital; Address the needs of the elderly members and promote active ageing; Support Gozo's youth and families; Develop secure communities; Eradicate social exclusion and discrimination; Facilitate the assimilation of an increasing diverse population; Ensure adequate social development infrastructure; Develop appropriate and effective responses to housing needs.

The seventh priority of the strategy document is 'Rural Development and Eco-Gozo'. Rural Development plays a key role in the process of improving the quality of life and economic well-being of Gozo. The island is rooted in its rural culture, and it is a central priority to preserve the cultural and traditional tapestry that makes Gozo a unique community. However, the preservation of Gozo's rural heritage is being challenged in view of development pressures.

The EcoGozo concept represents actions circulating around the pillars of sustainable development namely the economy, environment, society and culture. It aims to be the benchmark example of local government achieving an increasingly sustainable society through committed grassroots involvement by the Gozitan community.

The goals of this priority are: Keep rural Gozo an attractive place to live and work; Valorise Gozitan food and produce as a brand and strengthen its value under the EU Geographical Indications Framework; Support farmers in building sustainable enterprises



Gozo Regional Development Authority Chairman, Mr Michael Grech.

and in doing so increasing rural employment particularly among the younger generation; Carry out R&I to counter climate change impacts through technological developments; Protect and enhance Gozo's biodiversity, natural, traditional and historical heritage; Heighten Gozitan communities' awareness and appreciation of our natural, traditional and historical heritage; Handover to future generations a sustainably managed environment.

The eighth priority of the strategy document is 'Culture, Heritage and Arts'. On a national level, the culture and creative industry account for a substantial share of the value added created. Depending on its definition, the share can be considered as contributing to as much as ten per cent of value generated. For Gozo, potentially it can be even greater.

The island region's cultural asset base is also expected to increase next year, when the Gozo Museum project for an innovative, multi-disciplinary regional museum and cultural centre is scheduled to be completed. Gozo's art, culture and heritage should not be only protected and preserved but should be promoted through investment so that it continues to yield benefits in the years to come. This priority area should be read in conjunction with Regjun Għawdex bid for Gozo to be the European City of Culture in 2031.

The goals under this priority are: Enhance accessibility and connectivity to cultural heritage, resources and activities even through digitalisation; Enable conditions for local talent to flourish; Revitalise and re-purpose heritage assets for new forms of cultural activities, and as a new source of income generation for creative industries; Enhance cultural connectivity and dialogue and strengthen regional cultural governance; Promote a culturally distinctive Gozo; Enhance economic diversification, enterprise stimulation and job creation through a stronger creative sector.

### **How will the Measures be assessed and eventually Implemented?**

The consultation strategy document lists numerous policy measures under each of the eight priorities which can all be categorised and prioritised. This is done in view of the fact that the implementation requires prioritisation and resources. The GRDA is proposing a Multi-Criteria Decision Analysis (MCDA), that aims to assess the priority of each policy measure in terms of its effectiveness, implementability and futureproofing by considering its contribution or the risks that it poses to several judgement criteria.

The basic concept of a Multi-Criteria Decision Analysis (MCDA) is to evaluate the performance of different policies with respect to a set of judgement criteria that capture the key dimensions of the decision-making problem. Indeed, the criteria considered in this MCDA are to reflect the key needs of the economy of Gozo.

These criteria include: Better synergies between sectors – Improved collaboration between different economic sectors; A more balanced approach to investment – A balanced pattern of investment including productive, human, environmental, climate mainstreaming, social and institutional capital; Countercyclicality – Moderation of the impact of cyclical fluctuations due to the business cycle; Socio-demographic balance – Filling gaps related to demographic imbalances, social cohesion and inequality; Potential for mobilisation of social and civil actors – Promotion of the collaborative action between social and civil actors; Ability to attract public and private financial resources – Attraction of the necessary financial and other



Minister for Gozo Clint Camilleri addressing a press conference during the GRDA Strategy Document launch.

resources for implementation; Futureproofing – Sustaining the benefits over the longer term.

An important point is how the various measures will be implemented. It is safe to say that the GRDA will not be directly implementing the great majority of the measures that will be included in the final strategy. However, the GRDA will be responsible for overseeing that the strategy will be implemented. This will be achieved through a two-pronged approach.

First, where possible, internal resources will be used to implement a small number of measures. Secondly and most importantly, the GRDA will, in collaboration with the Ministry for Gozo (MGOZ), delegate measures to entities within MGOZ and other competent National Authorities. To manage the collaboration with other external entities, the GRDA will be drawing a number of Performance Agreements (as per Schedule 1 of the Act) which will govern such relationships and make sure that roles and responsibilities are well defined.

### The Next Steps

The consultation document has been launched. The consultation period was formally closed on

the 31<sup>st</sup> August. As GRDA, we have always and repeatedly stated that this consultation document is being proposed to simulate a discussion around the way we want to see Gozo in the next ten years and how to get there.

We invited all those that harbour an interest in Gozo, to come forward and propose ideas and measures. The consultation process resulted in over thirty meetings with different entities and NGOs and three public events. The result was that the GRDA received over 300 ideas, proposals, and suggestions which it will be analysing with a view to include in the final Regional Strategy document.

These ideas and suggestions will also be used as an input in the discussions that the GRDA will be holding with various national entities, given that these entities will remain the competent authorities on particular and specific areas, thus the engagement of national entities is fundamental.

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