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Exploring sustainable strategies to counteract territorial inequalities from an intersectional approach

Working Paper

Key policies and strategies for the development of "left-behind" territories

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Content

1. Introduction

The working definitions of 'left behindness' developed under the auspices of the EXIT project describe it as a ‘form of territorial inequality that emerges as a dialectic relationship between a peripheral experience in concrete locations on the one hand and political discourses as well as the place-specific employment of indicators and policy instruments on the other’ (Karasz, Homberger & Güntner, 2025:5). This concept was explored through comparative research conducted in eight countries—Austria, Belgium, Denmark, Greece, Italy, Serbia, Spain, and the United Kingdom—focusing on diverse territorial contexts and structured around seven guiding themes: social services and health; formal and informal education; employment and professional life; community; housing; environment and regeneration; mobility and immobility; and digital inclusiveness.

The strategies and policies analysed in this paper are based on country reports prepared by national research teams, highlighting what they considered to be particularly relevant to addressing the challenges of rural, post-industrial, and urban areas experiencing 'left behindness'. While shaped by specific local circumstances, these policy approaches are closely aligned with broader European efforts to promote territorial cohesion. Key EU frameworks, such as the Territorial Agenda 2030 and the Cohesion Policy, provide not only normative foundations—emphasizing spatial justice, balanced development, and place-based governance—but also concrete instruments and financial support for revitalizing disadvantaged areas. In this context, the national strategies and policies presented here are best understood as part of a wider European commitment to ensuring that no territory is excluded from opportunities for sustainable and inclusive development.

2. Key strategies and policies

In most EXIT countries, territorial disparities are a significant concern and a prominent topic in national political discourse, where a multitude of complex strategies and policies—often framed within regional development—are implemented to address territories left behind and territorial inequality.

The strategies are complex, comprehensive, and encompass a wide range of priorities and specific policies. For example, the *Levelling Up the United Kingdom* program aims to address spatial inequalities through five policy pillars, four objectives, and 12 policy clusters (HM Government, 2022). The Greek *National Strategic Reference Framework 2021–2027* includes elements of sectoral programs related to the guiding themes of the EXIT project, alongside 13 regional and local operational programs. Among other frameworks, Italy's *National Plan for Recovery and Resilience 2021–2026* is structured around three main pillars, subdivided into six missions, and elaborated through 16 components.

The table below provides a detailed listing of these strategies and strategic plans per country:

Austria	Strategies for regions with population decline; Austrian CAP Strategic Plan
Belgium	Intelligent Specialization Strategy – Walloon Regional Policy Declaration (2019-2024); Wallonia Recovery Plan; Poverty Eradication Plan (2020-2024)
Denmark	The Business Development Strategy; Strategy for Denmark's Digital Growth
Greece	National Strategic Reference Framework 2021-2027; Digital Transformation Strategy for 2020-2025
Italy	National Plan for Recovery and Resilience 2021-2026; National Strategy for Inner Areas; National Strategy for Ultra-BroadBand
Serbia	Employment Strategy 2021-2026
Spain	Sustainable and Integrated Urban Development Strategies; Plan for Social Inclusion; CAP Strategic Plan, Rural Development Plans
United Kingdom	Levelling Up the United Kingdom

Some examples place greater emphasis on specific individual programs, policies, and measures, such as compensatory allowance—targeted income compensation for agricultural producers in disadvantaged areas (Austria); establishment of new universities in smaller cities and towns (Denmark); and a program for attracting direct investments (Serbia).

In most EXIT countries, there is a clear orientation towards an integrated development approach, regardless of whether overarching strategies or specific policies are presented. This implies, among other things, that most strategies and policies have a multisectoral nature, frequently connecting issues related to education, training, research and development, employment, infrastructure, digital connectivity, agriculture, as well as economic development.

Numerous stakeholders are involved in the development and implementation of key strategies and policies. In nearly all EXIT countries, efforts are made to ensure that strategy development, policy formulation, and implementation follow a multilevel governance approach, involving various tiers of local, regional, and national government, while fostering partnerships with the private and civil society sectors. For example, in Denmark, policy implementation concerning urban and rural regeneration revolves around establishing partnerships among local NGOs, housing associations, municipalities, and various local authorities, including schools, police, and youth clubs. An exception is the United Kingdom, where the Department of Levelling Up, Housing and Communities, responsible for addressing spatial inequalities, despite its intent to facilitate and empower local authorities and governments, still maintains a relatively centralized approach to policy formulation and implementation.

In EU member states, strategic documents are directly intertwined with European policies, especially cohesion policy, as European funds play a crucial role in providing the necessary resources for their implementation. The alignment with European policies is less prominent in Belgium, while in Greece, policy frameworks and strategies aimed at addressing the development of areas identified as 'left-behind' are primarily connected to the concept of regional development as defined in the EU Cohesion Policy.

The strategies and policies vary significantly in scope, and accordingly, in the funds allocated for their financing. Additionally, in EU member states, there are differences in the extent to which they rely on EU funds. For example, the Greek *National Strategic Reference Framework* budget, equivalent to €26.2 billion over seven years (14.3% of the 2021 GDP), includes €20.9 billion in EU support. Other EU member countries demonstrate a significant reliance on European funds as a critical source of financing for their key strategies and policies. For the Italian *National Plan for Recovery and Resilience* spanning six years from 2021 to 2026, the government has allocated €191.5 billion, surpassing 10% of the 2021 GDP, with this allocation further bolstered by significant contributions from EU sources. Under the Recovery and Resilience Facility, the EU will disburse €68.9 billion in grants and €122.6 billion in loans to support the implementation of reform measures set forth in Italy's recovery and resilience plan.[1] Special emphasis is placed on the fact that, regarding financing regional development, EU funds complement national funds rather than replace them.

Among the policies and programs researched, some smaller ones are financed exclusively from national sources for various reasons, such as the free zones policies in Wallonia and the *Program for supporting underdeveloped municipalities* in Serbia. The UK *Levelling Up* program, for which £4.8 billion (0.2% of GDP) has been earmarked over a four-year period, is also exclusively funded from national sources.

Strategies and policies across EXIT countries differ significantly in their adoption of a place-based approach. In Belgium, for example, policies at the federal level tend to apply a 'one-size-fits-all' approach, without geographic differentiation, which may not fully reflect the diverse

[1] For more details, see https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3126

realities on the ground. However, sub-regional disparities are more effectively addressed through specific policies and strategies developed at the regional level, particularly in Wallonia.

Conversely, several examples illustrate a strong emphasis on a place-based approach within specific countries. In Italy, the *National Strategy for Inner Areas* adopts a place-based policy framework that focuses on leveraging local knowledge and valorizing underutilized territorial resources through external interventions and multi-level governance. The strategy aims to counteract demographic decline and socio-economic weakening in areas distant from urban centers and essential services, characterized by aging populations, depopulation, and economic challenges. A set of 90 indicators has been developed to delineate territories classified as inner areas. Similarly, Serbia has implemented policies specifically designed to support less developed local governments, including initiatives such as *Loans for businesses operating in underdeveloped areas* and the *Program for supporting underdeveloped municipalities*. Territorially focused policies are also prominent in Austria, with measures such as *Industrial development and employment in the industry* and *Agriculture funds for disadvantaged areas*, as well as in Denmark, where *Decentralization of public jobs and education* and *Business region policies* play a key role.

In Spain, there is no clear-cut distinction between 'space-blind' and 'place-based' policies. Strategies and policies targeting urban areas generally tend to overlook the territorial dimension, instead prioritizing an individual- or people-centered approach. For example, the *National Action Plan for Social Inclusion* is characterized by a sectoral focus. Similarly, the *Sustainable and Integrated Urban Development Strategies*, which address urban development across economic, environmental, climate, demographic, and social dimensions, also lack an explicit territorial perspective. Nevertheless, many of these policies implicitly target left-behind areas, although seldom explicitly acknowledged. Whether through a sectoral lens—targeting unemployment, education, health, or urban spaces—or through an individual focus—targeting populations with the lowest incomes or vulnerable groups—the ultimate beneficiaries are left behind territories and their inhabitants. The table below presents the areas most targeted by national strategies and policies aimed at reducing territorial inequalities.

Austria	Peripheric eastern border municipalities, remote alpine villages and low-income inner-city neighborhoods
Belgium	Areas near mass layoff sites
Denmark	Rural regions, smaller cities and towns, less populated regions
Greece	Less developed regions according to EU criteria
Italy	Industrial crisis areas, inner areas, urban peripheral areas
Serbia	Devastated areas[2]
Spain	Rural areas, vulnerable neighbourhoods in urban areas
United Kingdom	Regions outside London and South-East

[2] Municipalities with a development level less than 50% of the national average.

In most EXIT countries, key priorities include growth-oriented policies - especially those that support business development and employment – as well as initiatives focused on rural areas. The role of fiscal equalization has also been highlighted across most countries.

Policies aimed at business growth and the business environment are among the most prevalent measures to counteract territorial inequality. Primarily designed as place-based measures, tax incentives, subsidies, loans, and grants are widely applied. Typically, these policies are intertwined with investments in human capital, and transport infrastructure. Numerous studies confirm the prevalence of these measures, particularly in a place-based context (Gbohoui, Lam. & Lledo, 2019: 21; World Bank, 2018; Neumark & Simpson, 2014). According to a 2019 study conducted by the European Commission that analysed national policies addressing territorial disparities in 11 Member States, among the 60 measures identified, business development and innovation support for firms stood out, followed by investment promotion, tax incentives, and transport infrastructure (European Commission, 2019:112).

Rural policies are of particular significance, considering that rural areas face a multitude of challenges, including depopulation and are often designated as 'territories left behind'. In some cases, the approach to addressing rural-urban development disparities is framed within agricultural policies, tourism development, and/or environmental protection. There is also a strong emphasis on attracting young people, which entails improving access to quality education and job opportunities, enhancing transportation networks, building digital infrastructure, and fostering the preservation and promotion of local culture.

The European Commission identifies key drivers that will shape the future of rural areas by 2040, with the overarching goal of making them stronger through empowerment, improved access to services, and fostering social innovation. Furthermore, these areas are envisioned to be well-connected, embracing digital advancements and efficient transportation systems. They are expected to prosper by diversifying their economic activities and prioritizing sustainable food production. Additionally, they should demonstrate resilience, especially in the face of challenges posed by climate change, environmental issues, and social dynamics (European Commission, 2021: 10).

Policies aimed at advancing digital connectivity and digital transformation are increasingly prominent and, in some cases, addressed as a distinct topic under the guiding theme of digital inclusiveness. The significant presence of these policies could have been foreseen, given that advanced technologies, including digitization, are driving substantial changes in the geography of production and the skill requirements in labour markets (World Bank, 2018: 17). As studies demonstrate, due to the greater readiness for digital transition in economically robust metropolitan areas and high-tech manufacturing regions, regional disparities across Europe and within individual countries are expected to intensify (Maucorps et al., 2022).

The enhancement of digital skills, infrastructure, and the transformation of businesses and public services, as outlined in the EU Digital Compass (European Commission, 2021a), thus assume particular significance, especially in regions that are lagging behind. Efforts to bridge the digital divide are increasingly focused not only on access disparities between urban and rural areas, major and minor urban centers, and densely populated versus remote regions, but also on variations in internet usage, motivation, and skill levels.[3]

Fiscal equalization policies are also an important element of the broader territorial policy mix. Fiscal equalization refers to the allocation of financial resources to subnational governments, typically through unconditional transfers, considering differences in their fiscal capacity and specific local expenditure needs (Dougherty & Forman, 2021; OECD, 2013). It serves as a vital policy tool in most developed countries to equalize fiscal capacities among subnational governments, ensuring the provision of a similar set of services. 'Left-behindness' encompasses not only economic hardship but also issues related to public service delivery, access to opportunities, and overall quality of life. Therefore, fiscal equalization policies are crucial for improving the quality of life in disadvantaged areas.

Fiscal equalization contributes to regional policy objectives in various ways (Dougherty, Nebreda, Moisio, & Vidal-Bover, 2022:8), even though it is often seen as a spatially blind policy, aiming to provide uniform access to public health, education, and social safety nets throughout a country (World Bank, 2009). While fiscal equalization typically results in the redistribution of resources toward less developed areas, in countries where the equalization of cost differences is given greater importance, more developed regions, particularly metropolitan areas with high service provision costs, may also benefit from equalization (Blöchliger, H., et al., 2007; World Bank, 2009).

The degree of fiscal equalization intervention varies among the countries included in the EXIT project and depends on the roles and financial resources assigned to individual jurisdictions, as well as on political and societal preferences for redistribution.

Examples of policies and strategies related to business growth and the business environment, as well as those targeting rural areas, fiscal equalization, and efforts to bridge the digital divide, are presented in Part two of this paper.

Evaluations of the effectiveness of strategies and policies aimed at reducing territorial inequalities remain uneven and constrained by various contextual, methodological, and data-related challenges.

The extent of research into the effectiveness of key strategies and policies varies considerably: while some EXIT countries have conducted comprehensive evaluations, others provide only limited insight. In many cases, the complexity of strategies and policies makes the assessment of effectiveness particularly challenging. In addition, the recent economic disruptions caused by the COVID-19 pandemic have exacerbated territorial inequalities and created significant obstacles for undertaking robust effectiveness analyses.

In some cases, strategies and policies are still in the early stages of implementation, and effectiveness assessments are not yet available. For instance, Italian *National Plan for Recovery and Resilience* is considered too recent to allow for a comprehensive evaluation of its territorial

[3] For detailed definitions of the digital divide, refer to (OECD, 2001:5) and (Negreiro, 2015).

impact. However, its scale and cross-cutting design suggest significant potential. Although it is also early to provide a final comprehensive assessment of the *UK's leveling-up agenda*, some specific criticisms have emerged. For example, it is pointed out that in addressing issues of mobility and connectivity, the agenda predominantly prioritizes physical infrastructure, such as the HS2 train network expansion, potentially exacerbating regional inequalities by favoring major cities. While the program aims to boost economic growth, concerns have been raised about neglecting the connectivity of smaller towns and regions (Jennings et al., 2021).

In certain EXIT countries, research on effectiveness is scarce, and some policies have not been evaluated at all. For instance, in Serbia, detailed information regarding *Loans for businesses operating in underdeveloped areas* and the *Program for supporting underdeveloped municipalities* is unavailable, and no studies have been conducted to evaluate the effectiveness of these programs. In Spain, it has been highlighted that, since most policies targeting urban areas do not adopt a territorial approach, there is a lack of information regarding their impact at the local level. Meanwhile, in Greece, research on effectiveness primarily focuses on the evaluation of EU Structural Funds. Furthermore, the evaluations pertain to the national level, without taking into account a localized spatial perspective. Among various evaluations, one highlights factors that have impeded the more effective performance of cohesion policy in Greece, including issues such as corruption, clientelism, ineffective administration, and low absorption rates (Axt, 2016). At the same time, Karvounis (2016) points out that most academic studies primarily use quantitative analyses to assess the impact of EU funds, often overlooking qualitative aspects such as the alignment of national-level priorities with regional needs.

Observations about conceptual issues and general challenges impeding overall effectiveness can also be encountered. In the UK, one major contradiction within the *Leveling-up* agenda lies in the fact that, on one hand, it envisions policies aimed at redistributing authority and resources, while on the other hand, it is constrained by the broader fiscal logic of austerity.

In Serbia, the effectiveness of policies targeting less developed municipalities is limited by the continued reliance on the 2014 *Decree for categorizing regions and municipalities* by their level of development, despite a legal requirement for annual updates. This use of outdated data inevitably leads to targeting errors and less effective interventions. Recent research by Jakopin and Čokorilo (2022) indicates that over half of the municipalities would undergo changes in their official status if current data were used.

In Italy, concerns have been raised that the implementation of the *National Plan for Recovery and Resilience* may be hindered by inadequate multi-level coordination and a lack of expertise at the local authority level.

Examples of effectiveness analysis at the level of individual strategies and policies are presented in the next sections, to the extent that research is available.

3. Individual strategies and policies at a glance

3.1. Fiscal equalization

Equalization of tax base income and the equalization of expenditure needs in Denmark

Denmark's fiscal equalization system relies on two central pillars: the 'equalization of tax base income' and the 'equalization of expenditure needs'. The 'equalization of tax base income' redistributes funds from municipalities with a strong tax base, often located in affluent areas, to those with a weaker tax base, typically in rural or peripheral regions characterized by lower-income residents or an older demographic. The expenditure-based equalization scheme ensures that municipalities facing greater needs, such as those with aging populations or a high number of non-working residents, receive the necessary financial resources to maintain essential public services (Blom-Hansen et al., 2016).

Blom-Hansen, Monasch, and Serritzlew (2014) have shown that fiscal equalization in Denmark is largely successful in achieving its goals. The redistributive tax ensures that even municipalities with lower incomes or higher expenditure needs maintain a similar level of financial capacity to provide welfare services. A report by the Economic Councils of Denmark found that despite increasing geographical income disparities from 2008 to 2019, there has been a slight reduction in disparities when considering welfare indicators (De Økonomiske Råd, 2023). This suggests that the redistribution policy has somewhat mitigated the impact of low income.

Tax equalisation allocation and the population density grant in Wallonia

In Belgium, the *'Fonds des Communes'*, managed by the Walloon Region, provides various grants to municipalities, with a specific emphasis on mitigating territorial inequalities. Two notable grants within this program are the *'tax equalisation allocation'* and the *'population density grant'*. The former is designed to redistribute funds to municipalities with restricted tax revenue potential, while the latter is intended to alleviate the costs associated with below-average population density, such as the maintenance of an extensive road network.

Based on an evaluation of the *'Fonds des Communes'* spanning from 2015 to 2017, it has been demonstrated that municipalities with lower-income populations receive the highest funding allocations through the *'fiscal equalization'* mechanism (Bednard & Bosquillon, 2018). With regard to the *'population density allocation,'* the evaluation affirmed that the goal of compensating for the unique circumstances of municipalities with low population densities covering extensive territories has been achieved.

Equalization and solidarity transfers in Serbia

In Serbia, pursuant to the Law on Local Government Financing, non-earmarked transfers, encompassing equalization and solidarity transfers, coexist alongside earmarked transfers.[4]

[4] Law on Financing of Local Self-Governments (Official Gazette of RS, 62/2006, 47/2011, 93/2012, 83/2016, 104/2016 (other law), 95/2018, (other law) and 111/2021 (other law).

Equalization transfers are allocated to local self-government (LSG) units when their per capita shared revenues fall below 90% of the average, while solidarity transfers are distributed to all LSGs excluding the city of Belgrade, with the allocation being determined based on their respective levels of development. The total non-earmarked transfer is set by law at 1.7% of GDP.[5]

The World Bank Report from 2013 assessed the impact of an amended Law on Financing of Local Self-Governments in 2011 and found that cities and municipalities would gain more revenues, with the smallest LSGs benefiting the most in relative terms. However, the study also highlighted that there would still be significant disparities in revenue per capita, and these differences would be most pronounced among the smallest LSGs (World Bank, 2013:27).

Shared taxes and grants in Austria

Austrian fiscal equalisation is embedded in a tax sharing system that encompasses both the state and the municipal level. Shared taxes are usually distributed according to a tax revenue or according to demographic criteria such as the population size. An integral part of intergovernmental fiscal relations are also intergovernmental transfers such as fund for lagging municipalities and for intercommunal cooperation, transfers to equalize the average revenue of Laender and Municipalities, etc.[6] In 2021 the federal government received 54,5% of the total amount collected, the states 31% and the municipalities 16% (Mitterer & Pichler, 2023: 10).

3.2. Business growth, employment, business environment and beyond

The Business Development Strategy in Denmark

The Danish government promotes business growth beyond traditional urban centers through a variety of strategic initiatives aimed at encouraging a favorable business environment in the less populated regions (Ministry of Industry, Business and Financial Affairs, 2018). In addition to providing incentives for businesses to set up operations in these regions, crucial elements of the decentralized growth strategy include infrastructure development, enhancing access to education and workforce development programs, and making significant investments in research and innovation. The approach varies by regions; each one tends to develop industry clusters based on their unique strengths and resources.

Assessments of the effectiveness of these policies indicate that they have positively influenced regional economic growth by fostering industry clusters in less populated areas. Southern Denmark and Central Denmark have developed successful industry clusters in robotics and food, resulting in increased economic activity and diversification of their regional economies (Pedersen, 2019; Regional Development Plan, 2018). Despite successes, these policies face challenges such

[5] Non-earmarked transfer, include equalization transfers, compensation transfers, and solidarity transfers.
[6] Financial equalization is regulated by the temporary Intergovernmental Fiscal Relations Act, based on agreements between federal, state, and municipal governments, typically lasting three to six years.

as securing a skilled workforce in less urban areas, balancing economic growth with environmental sustainability, and addressing globalization's impacts (Pedersen, 2019).

Growing the private sector in Levelling Up the United Kingdom program

The first of four objectives of the *Levelling Up the United Kingdom* program is to boost productivity, pay, jobs and living standards by growing the private sector. Specific policies inter alia entail improving access to finance for SMEs and increase mobile investments through UK government investing £3bn in *British Business Bank Regional Investment Funds* and the new *Global Britain Investment Fund*; using the tax system to incentivise private sector investment, through Freeports, Enterprise Zones and the Super-deduction; improving business environment, removing obstacles and costs to making long-term, illiquid investments. The levelling-up agenda is specifically focused on increasing productivity in the regions outside London and South-East. Policies aligned with the first objective also include plans to increase public R&D investments, with a target of reaching 2.4% of GDP by 2027, particularly focusing on regions outside the Greater South East; a £100 million investment in three Innovation Accelerators and a collaborative effort with Local Government Pension Funds to publish plans for increasing local investments, with the ambition of investing up to 5% of assets toward projects that benefit local communities (HM Government, 2022).

The Institute for Government's assessment reveals that although there has been progress in reducing the productivity gap between London, the South-East, and the rest of England, the reduction remains relatively modest, decreasing only from 41% to 39% (Pope et al., 2022: 04). This suggests that more comprehensive strategies may be necessary to effectively address territorial disparities in UK. The Institute's study suggests raising the level of ambition within the skills cluster, increasing public investment in R&D outside of London and the South East, reviewing strategies for higher and early years education, giving priority to underperforming large cities outside London, and establishing a detailed evaluation plan for effective implementation.

Free Zones in Wallonia

As part of the *'Marshall Plan' for Wallonia*, the *Free Zone* policy was introduced to boost the attractiveness of both urban and rural disadvantaged areas. Since the inception of the first plan in 2005, which allocated over €100 million for these purposes, the budget substantively decreased over time (IWEPS, 2014:25). Currently there are four free zones in Wallonia in which companies that create new jobs are eligible for federal tax incentives.[7] The zones are located within a 40-kilometer radius of sites affected by collective redundancies in industries facing crises, including steel, glass, and mechanical engineering.[8]

Evaluation reports have raised doubts about the effectiveness of Wallonia's 'free zones', demonstrating that there is no statistically significant impact of the investment aid premium on the number or the total amount of investment projects in these zones (Meunier, Van Haeperen &

[7] For more details, see https://geoportail.wallonie.be/catalogue/7302fc51-50d9-4430-92f1-5b3e1a767101.html

[8] Europe 2020 Strategy Wallonia's Contribution to the Belgian National 2017 Reform Programme. https://economie.wallonie.be/sites/default/files/PNR%202017%20-%20Contribution%20Wallonne%20EN.pdf

Mosty, 2014). Consequently, there is no clear evidence that public aid enhances the attractiveness of disadvantaged urban and rural areas through this policy.

Program for attracting direct investments in Serbia

Serbia has a longstanding policy of promoting direct investments. One of the primary goals of this policy has been to address regional disparities by channelling investments into underdeveloped municipalities (Aleksić, Arandarenko & Ognjanov, 2020:27). The program for attracting direct investments administered by the *Development Agency of Serbia* offers more favorable conditions and higher subsidies when investments are directed towards underdeveloped regions. According to the Fiscal Council of Serbia (2022:46), the amount of subsidies surged to 17 billion RSD, or approx. €144.68 million (0.27% of GDP) in 2021.

Arandarenko, Aleksić and Lončar (2021) have demonstrated that the Development Agency program (2015-2020) has contributed in some aspects to rebalancing of regional labor market, particularly in improving the quality of employment in less developed regions and in stabilizing the shares of regional wage funds. The econometric study conducted by Delević in 2020, which centered on foreign direct investment (FDI), found that while subsidies contributed to employment generated by subsidized investments, they did not encourage crowding-in (i.e., did not create additional jobs). Notably, in the least developed municipalities, subsidies had a detrimental effect on overall employment, possibly due to the exit of domestic firms (Delević, 2020:53).

Just Development Transition in Greece

In the context of the Just Development Transition component, Greece's *National Strategic Reference Framework* outlines a budget of €1.6 billion. This allocation is intended for various purposes, including the restructuring of the production system, support for the workforce and communities impacted by the closure of lignite plants, and the mitigation of adverse environmental effects stemming from lignite mining and energy production. It also focuses on matters related to health, safety, and the prevention of new sources of pollution. The program's implementation is concentrated in the Western Macedonia region and the surrounding area of Megalopolis in the Peloponnese.

3.3. Rural areas

Compensatory allowance for agricultural producers in Austria

A key policy addressing remote alpine areas, one of the Austrian national dispositives of left-behindness, is a funding scheme for disadvantaged areas within the framework of *European Union's Common Agricultural Policy (CAP)*. Preserving agriculture in disadvantaged areas is defined as a key objective of Austria's CAP. It provides targeted income compensation of agricultural producers in disadvantaged areas vis-á-vis farms in favorable locations.

The aim of the compensatory allowance is to safeguard the maintenance of area-wide and site-adapted agricultural management, which helps to preserve cultural landscapes, biodiversity and natural production bases. The compensatory allowance is a component of the rural development program, which received a total funding allocation of €8.1 billion for the 2007-2013 period, with 50.5% coming from EU funds.

The compensation payments prove to be essential and effective, as indicated by the policy assessment conducted by the Federal Institute of Agricultural Economics, Rural and Mountain Research. These subsidies, despite being relatively low per farm, play a significant role in maintaining agricultural land use and biodiversity (Hovorka, 2017).

Spain's CAP Strategic Plan

Spain's *CAP Strategic Plan (2023-27)* outlines a comprehensive strategy that integrates both national and regional aspects. The plan aims at the sustainable development of agriculture, food, and rural areas while ensuring food security through a competitive agri-food sector.[9]

Key objectives include enhancing food security and the viability of farms, focusing on their role in the value chain; boosting competitiveness through research, technology, and digitalization; addressing climate change and promoting sustainable energy; efficiently managing natural resources, safeguarding biodiversity, and promoting ecosystem services; fostering rural business development, particularly by attracting young farmers; and promoting economic growth, social inclusion, and employment. The total budget is approximately €34.4 billion (2.5% of 2021 GDP), with €3 billion allocated from national funding.

Summarizing the impact of the CAP policy in Spain is challenging due to its diversity, and it seems that no radical solutions to rural area problems have been identified thus far. Furthermore, research suggests that impacts encompass an increase in land concentration and the perpetuation of unfair land distribution, which hampers new incorporations and access to land (Soler and Fernández, 2015: 175).

3.4. Digital divide

Digital Transition as a component of Greece's National Strategic Reference Framework

Under the Digital Transition component, the *National Strategic Reference Framework* envisions providing new and upgraded public digital services and applications to businesses and citizens while ensuring data privacy, accessibility, and universal design principles, promoting interoperability, developing digital platforms, ensuring high-speed connectivity, and addressing digital skill needs. The Digital Transition component is aligned with the *Digital Transformation Strategy for 2020-2025*, which, as part of Goal 3 entitled 'National Coalition for Digital Skills and Employment,' includes provisions to 'address the digital divide in all sectors of the Greek economy and society'.[10]

Strategy for Denmark's Digital Growth

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[9] For more details see https://agriculture.ec.europa.eu/system/files/2023-04/csp-a-a-glance-spain_en.pdf
[10] For more details. see https://digital-skills-jobs.europa.eu/en/actions/national-initiatives/national-strategies/greece-digital-transformation-strategy-2020-2025

Denmark has shown a steadfast commitment to addressing the digital divide, as evident in strategic documents such as the Danish Government's *Digital Strategy 2016-2020* and the *Strategy for Denmark's Digital Growth (2018)*. The latter strategy encompassed initiatives aimed at enhancing digital skills among the population, encourage businesses to embrace digitization, and promote digital security to build trust in digital platforms (Ministry of Industry, Business and Financial Affairs, 2018). The Danish government has earmarked DKK 1 billion for digital growth during the period from 2017 to 2025.

The bridging digital divide policy in Denmark has been hailed as largely successful, given that more than 98% of Danish households have internet access (European Commission, 2023). This success is particularly noteworthy due to the strategic emphasis on improving digital skills and e-literacy, recognizing that mere access to the internet does not translate into effective utilization of digital technologies.

Towards the Gigabit Society – Italy

The Italian *Strategy for Ultra-BroadBand Towards the Gigabit Society*, approved in 2021, aims to bridge the infrastructure, digital, and market gaps by fostering the integrated growth of both fixed and mobile telecommunications networks. Its goal is to achieve 1 Gbps connectivity across Italy by 2026. The Strategy is funded with an amount of €6.7 billion, allocated for use over a period of six years from 2021 to 2026 (Ministero dello Sviluppo Economico, 2021). *Towards the Gigabit Society* outlines seven public intervention plans aimed at extending high-speed digital service infrastructure to areas lacking sufficient private investment. The initial two interventions, which commenced in 2016 under the *White Areas Plan*, focused on regions with no scheduled private ultra-broadband investment within the subsequent three years. *Digital cohesion for inner areas*[11] is part of the *National Plan for Recovery and Resilience* package of interventions. Establishing information and digital infrastructure in inner areas aims to enable the adoption of practices like remote work, and attract individuals working from a distance.

Given Italy's current digital lag, the 'Toward the Gigabit Society' Strategy, in conjunction with the National Strategy for Digital Growth, appears to offer a feasible path for narrowing Italy's gap in comparison to other EU nations and addressing territorial disparities within the country.

[11] 'Inner Areas are defined as territories substantially far from centres offering essential services and thus characterized by depopulation and degrade. These areas currently cover approximately 60 per cent of the Italian territory and hosting nearly 13.540 million people' (Barca & Lucatelli, 2014).

4. Conclusions

The analysis of key strategies and policies across EXIT countries reveals a shared recognition of the importance of addressing territorial inequalities and manifestations of left-behindness through a combination of place-based and sectoral approaches. Although national contexts differ substantially, common priorities emerge—particularly in relation to business development, rural revitalization, digital inclusion, and fiscal equalization. Many of the observed policies are supported by EU funds, highlighting the European Union's role as both a normative and financial driver of efforts to reduce territorial disparities and ensure that no territory is left behind.

Despite the variety and complexity of interventions, evidence regarding their effectiveness is mixed and often limited. In a significant number of cases, evaluations are either incomplete or constrained by limited data availability, timing issues, and broader contextual challenges such as the COVID-19 pandemic. However, some countries have conducted rigorous impact assessments, providing valuable insights into the effects of their strategies and policies. In other cases, such assessments remain scarce or anecdotal. Moreover, analysis is not yet possible where strategic documents are recent or still in the early stages of implementation. Greater efforts are needed to evaluate not only the effectiveness but also the efficiency of implemented policies—through systematic monitoring, improved data collection, and robust evaluation frameworks—capable of capturing both structural inequalities and locally experienced left-behindness.

Looking ahead, sustained attention to territorial inequality and left-behindness will require not only well-designed policies, but also strengthened governance structures, reliable local data, and genuine multilevel cooperation. Strategies need to be more explicitly tailored to local needs, informed by participatory processes, and guided by transparent criteria. Moreover, a shift toward long-term investments—particularly in human capital, connectivity, and service accessibility—is essential to ensure that no territory, including areas experiencing left-behindness within otherwise developed regions, remains excluded from the benefits of inclusive and sustainable development.

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