



Inspire Policy Making with Territorial Evidence

CASE STUDIES REPORT //

Territorial impacts of COVID-19 and policy answers in European regions and cities

Corsica island (France)

Case Study Report // July 2022

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This document is a final report.

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The final version of the report will be published as soon as it is approved.

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Introduction

This case study report examines the policy response to Covid-19 within Corsica. The report explores which 'proactive' policies have been introduced in response to the pandemic and assesses whether the crisis presented a 'window of opportunity' for regional and local authorities to promote specific spatial planning and territorially targeted policy agendas. The case report is structured around the following core sections:

1. **Regional Characteristics:** Outlines the key socio-economic and governance characteristics of the region.
2. **Impact of Covid-19:** Highlights the socio-economic impacts of the pandemic on the region.
3. **Covid Policy Response:** Provides an overview of the regional policy response in relation to three core policy thematic areas – the just transition (social policies), green transition (climate policies) and smart transition (innovation policies).
4. **Covid Policy Impacts:** Assesses the main socio-economic, governance and financial impacts of the policy measures introduced.
5. **Future Policy Directions:** Examines the medium- and long-term direction of policy in the region and analyses whether the policies identified can be upscaled to other EU regions.
6. **Policy Recommendations:** Provides policymakers and practitioners with policy, governance, territorial and financial recommendations.

Research methods

The present case study was conducted using a two-step approach. In the first step, desk research was conducted with the aim of 1) documenting the main characteristics of the area, 2) assessing the impact of the pandemic on local society and economy according to various national and local statistical sources and 3) documenting the policy responses as reflected in policy documents and online media outlets. In the second step, six semi-structured digital interviews were conducted with eight representatives of regional and local public institutions. The purpose of the interviews was to further document the impact of the pandemic, the policy responses, the impact of the policy responses and the future of local and regional policies.

Table 1 Interviews conducted within the scope of this report

No.	Interviewees	Organisation
1	General Manager Director of Innovation, Internationalisation and Territorial Intelligence	Corsican Economic Development Agency (ADEC, for Agence de Développement Economique de la Corse)
2	Présidente du CESEC	Economic, Social, Environmental and Cultural Council (CESEC, for Conseil Economique, Social, Environmental et Culturel)
3	Director CRESS Corsica	Regional Chamber for the Social and Solidarity Economy (CRESS, for Chambre Régionale de l'Économie Sociale et Solidaire)
4	Project manager	Emmaüs Connect
5	Territorial Coordinator of Digital Mediation Digital Project Technician	Collectivity of Corsica – Directorate of Transformation and Digital Development
6	General Secretary	Union of local business (union des entreprises de proximité)

1 Characteristics of the case study area

The fourth largest island in the Mediterranean, Corsica, is the least densely populated, with 37 inhabitants per km². On 1 January 2015, Corsica had 326,950 inhabitants. Since 2009, it has recorded a strong demographic increase, twice as high as the national average, due solely to the migratory surplus, as noted by the National Institute of Statistics (INSEE).

The island's population is largely concentrated on the coast, and 43% reside in the agglomeration communities of the Ajaccio region and Bastia, the island's two main towns. The population there is older, less educated than in mainland France and includes more single-parent families. Its housing stock is characterised by an overrepresentation of second homes and a low supply of social housing.

Map 1 Corsica island



1.1 Economic characteristics

In 2019, the annual increase in total salaried employment continued (+1.9% after +2.1% in 2018). Regional growth remained more dynamic than at the national level (+1.1%). In one year, the island benefited from 2,240 additional jobs. The increase was slowing down in construction while intensifying in the commercial service sector. The industry remained well oriented despite a slight decrease in the number of employees in the food processing sector. At the same time, pre-employment declarations (DPAE) to the Union for the collection of social security contributions and family allowances (*Union de recouvrement des cotisations de*

sécurité sociale et d'allocations familiales – Urssaf) continue to increase, but at a rate of +2% for 2019 compared with +7% for 2018.

This situation has led to a fall in the regional unemployment rate, a trend that began in 2015. With a rate of unemployment of 8.2% of the active population in 2021, it remains close to the national level (8.1%). As for the number of long-term unemployed, the island recorded the largest relative drop in registrations at the national level for this category.

More moderate growth in turnover and investment

The companies surveyed by the Banque de France reported an increase in turnover, but often at a more moderate rate than in 2018, with the exception of market services. In these activities, the trend is unfavourable, with declines in turnover in business services (-1.5%) and accommodation (-0.9%). The distribution of credit to companies is slowing down the island's development (+6.8%) but remains well oriented, notably by equipment loans (+10.6%).

This slight loss of speed is also observed in the turnover declared to the Regional Directorate of Public Finances (DRFIP) by companies subject to VAT. They grew by 4.9% in 2019, after 5.9% recorded a year earlier. VAT receipts rose by 5.5%, while corporate income tax receipts increased by 0.72% over the year.

On the other hand, business start-ups were accelerating: the number of new registrations had grown by 14.8% in 2019 (after 10.5% in 2018). This momentum is based mainly on the growth of sole proprietorships (+49.8%). At the same time, business failures were on the rise again (+3.0%) after two years of decline.

The number of passengers welcomed in the island's ports and airports—more than 9 million travellers in 2019—fell by 3.3% over one year. For the first time in eight years, air traffic was decreasing (-0.6%). However, it remained higher than maritime traffic, which manifested a downward trend (-3.9%). In 2019, in a less favourable weather context, hotels, open-air hotels and other collective tourist accommodations recorded a drop in visitor numbers (respectively -3%, -6.9% and -9.9%), particularly customers from abroad.

In 2019, building authorisations fell sharply (-22.4%) and concerned 5,000 new homes. However, following the increases in authorisations in 2017 and 2018, the number of housing starts increased significantly in 2019 (+19.2%), with 5,100 new housing starts. At the same time, housing starts are down by 40.5%, while actual sales are up by 13.9%. The companies surveyed by the Banque de France said that their sales figures were up by 2.9%. The secondary sector is very dynamic (+ 8.3%), the structural sector is growing moderately (+0.7%), and public works are weakening again (- 0.7%). Lastly, employment in construction and public works remains on the rise (+3.9% after +5.1% in 2018).

Impacts of the pandemic: Corsica, the most impacted region

After a good year in 2019, the sanitary crisis linked to the spread of the coronavirus and the ensuing confinement imposed a brutal stop to the activity, which very strongly impacted the regional situation from the beginning of 2020. On 7 May 2020, French economic activity was down by 33% compared to previous years, reaching a new low of 35% in Corsica. Moreover, taking into account the seasonal nature of the island economy, the drop in added value could be registered with one point higher (-36%).

Indeed, the sectors overrepresented on the island are also those wanted to have been among the most impacted in the period. In particular, market services, trade, transport and storage, accommodation and catering recorded losses estimated between 47 and 90%. Construction, another sector overrepresented in the regional economy, was heavily impacted in the region (7%). In total, these four sectors jointly account for 22% of the drop in activity against 14 points at the national level. Given its productive structure, the fall in activity had a particularly significant effect on employment in Corsica.

The situation is even more tense for the non-employed, 47% of whom are in sectors potentially very weakened by the economic crisis. This is the highest proportion in all metropolitan regions. In addition to this threat to jobs in companies, the regions are also facing the postponement or cancellation of seasonal recruitment.

Usually, the first peak in seasonal hiring takes place at the beginning of April. Thus, approximately 17,000 contracts were signed between 15 March and 15 May, which represents an increase of 26% in employment compared with the positions occupied on 15 March. The accommodation and catering sector alone accounts

for 44% of these recruitments, which may have been drastically reduced in 2020 on the eve of an uncertain tourist season. Moreover, almost three out of four seasonal recruitments usually involve island residents. The other activities concerned are retail trade (12% of the jobs that should have started in these two months), specialised construction work (5% of the jobs), employment-related activities (notably temporary work) and services relating to buildings and landscaping as well as wholesale trade (3% each).

Furthermore, three out of four jobs starting in this period are occupied by people living in the region. The jobs in question are mainly occupied by young people: the loss of employment reaches 18% for people under the age of 25 and 5% for those aged 55 and over.

In the first quarter of 2020, excluding temporary employment contracts, declarations prior to hiring (DPAE) fell by 9% compared with the first quarter of 2019. Over the first three months of the year, fixed-term contracts (CDD) fell by 14%, but a significant increase (+2%) was noted in permanent contracts (CDI). By sector of activity, accommodation and catering recorded the strongest drop (-28%), followed by construction (-13%). By department, South Corsica recorded a drop in DPAE of -10% against -8% for Haute-Corse.

With the effective start of confinement, the drop in hiring intentions between the 1st and 31st of March reached -28%. The decrease is greater for fixed-term contracts (-32%) than for permanent contracts (-15%). The clear downturn in the accommodation and food services sectors was confirmed in March, with a 48% drop in temporary employment contracts. The industry and construction sectors followed with losses of 28% and 25%, respectively. In Corsica, the first visible effects on the labour market appeared as early as March and became more pronounced in April, with a significant increase in the number of jobseekers registered with the Pôle Emploi. At the end of April 2020, the total number of jobseekers actively seeking employment (categories A, B and C) stood at 25,940, i.e. +19.6% over one month after an increase of 4.5% one month earlier. This significant increase is found in both departments but is more marked in South Corsica (+22.6% against +16.8% in Haute-Corse).

In view of the health context of 2020, the partial activity scheme was a key measure in the fight against the crisis linked to Covid19. It was reinforced to encourage its use and cushion economic shock. In Corsica, the massive recourse to partial unemployment confirms the high number of jobs threatened.

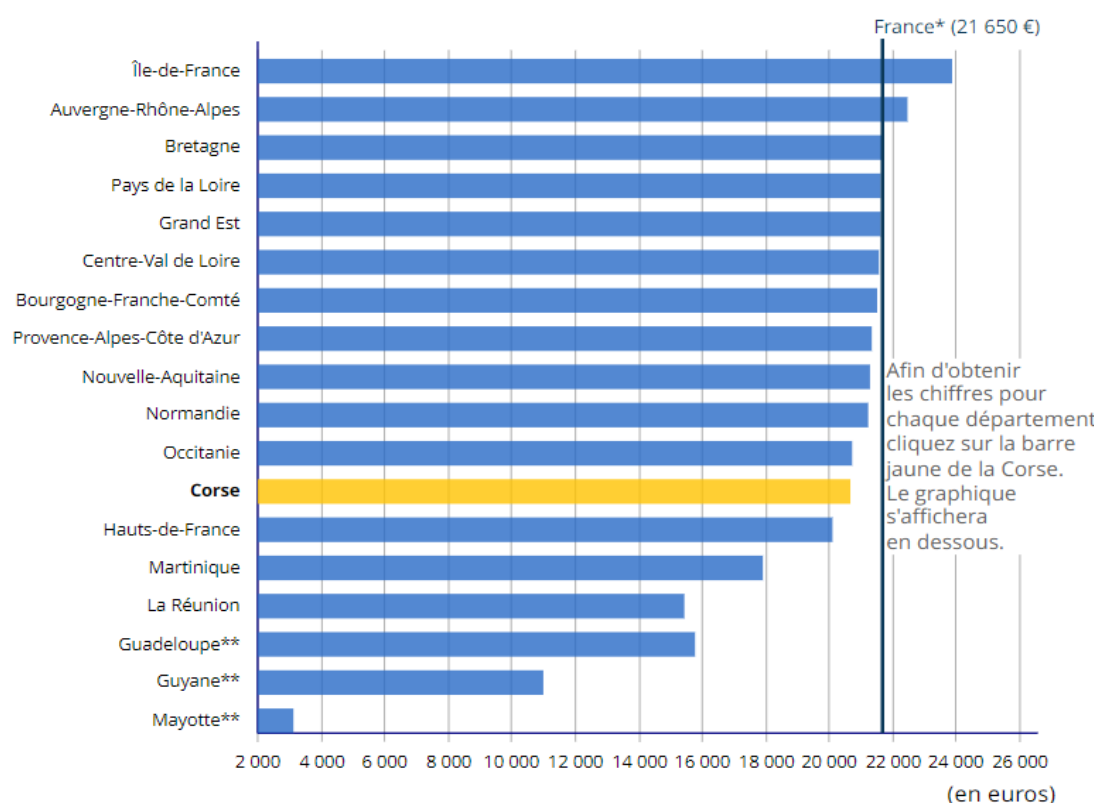
During 2019 and 2021, business start-ups collapsed in Corsica. Cumulating barely more than 550 new companies over these three months, the region thus records a decline in creations of almost 60% compared with the same months of 2018 and 2019.

Finally, the closure of markets, restaurants, some local shops and the cancellation of fairs and events have led to significant losses of outlets for producers. With the confinement, consumers have shifted their purchases to basic necessities. Local products have been neglected on the shelves in the context of a slow pre-season for tourists. Upstream, among producers and industrialists, difficulties and stocks have accumulated (cheeses, delicatessen, wines, etc.), with strong concerns about being able to sell products in the coming months: the summer tourist influx represents an important outlet for the agri-food industry (and agritourism) in Corsica. In addition, horticulturists and gardeners have had to temporarily suspend their activities. Moreover, the closure of the borders led to a shortage of seasonal labour of foreign origin employed mainly in the plant sectors (arboriculture, viticulture and market gardening). During a period of high activity, the professionals had to adapt their production calendars, not without difficulties.

1.2 Social characteristics

In Corsica, in 2018, 18.5% of households lived below the poverty line, the highest rate in metropolitan France. Just like at the national level, single-parent families and young people under 30 are particularly affected by poverty. Specifically on the island, people over 75 are also affected. Half of the people in Corsica have an annual standard of living of less than 20,670 euros, compared with 21,650 euros at the national level.

In Corsica, in 2018, among the population aged 15 or over and not attending school, a quarter had a higher education diploma. However, 22.2% of individuals have only completed the baccalaureate, the highest proportion in France. Conversely, graduates of vocational courses are underrepresented (CAP or BEP). Finally, 30.9% left school without a diploma. Thus, the proportion of non-graduates in the population is higher than at the national level.

Figure 1 Average revenue in each region

Despite a high poverty rate of 19.6% of the population, i.e. 5% higher than in mainland France, Corsica is one of the provincial regions with a high proportion of very high earners: 1% of the tax population, i.e. 2,500 people. More specifically, the wealthiest 10% of inhabitants have a standard of living 3.6 times higher than the lowest 10th percentile. This gap places Corsica in second place within the French provinces regarding income inequalities, behind Provence-Alpes-Côte-d'Azur. Inequalities are increasing, while the island has a higher-than-average number of well-off households. The island also has more people with very high incomes than elsewhere. As a rule, financial affluence is derived from self-employment. Given the economic structure of the island and its employment, very high-income households more often receive most of their income from self-employment. This is the case for 33% of very high-income households on the island, compared with 20% in provincial France. This type of main income is also much more frequent than for households as a whole, i.e. 5% in Corsica and 3% in provincial France.

Finally, despite the greater presence of retirees in the region, pensions and annuities are only very rarely the main income of very high-income households, i.e. 6% compared to 38% of island households. Most of the rich islanders are city dwellers. Almost half of the very high incomes are found in the three urban centres. In Corsica, three municipalities, Ajaccio, Bastia and Porto-Vecchio, concentrate 47% of the island's very high-income earners, compared with 36% of tax residents. Therefore, very high incomes favour urban communes.

In total, Corsica is the region of France most affected by monetary poverty. In 2014, 20.3% of the population lived below the poverty line, compared with 14.5% on average in the rest of France. Thus, 54,720 people belong to a household where the disposable income per consumption unit is less than €1,018 per month.

1.3 Governance characteristics

The law on the new territorial organisation of the Republic created a single territorial authority on 1 January 2018, replacing the territorial authorities of the region and the two departments. The central administrative levels have nevertheless been preserved: Corsica retained two departmental prefectures and the associated

state services at the deconcentrated level, while the two departments at the decentralised level merged. A similar project had been rejected in the 2003 referendum.

Keeping the same bodies as the former territorial Collectivity of Corsica, the 'Collectivity of Corsica' also exercises the powers devolved to the departmental councils. The Corsican collectivity has specific competences set out in the General Code of Territorial Communities:

- education (provisional training plan; construction and maintenance of collèges, lycées, public vocational, artistic and special education establishments, maritime vocational lycées, agricultural education establishments, information and guidance centres and certain higher education establishments);
- culture and communication (cultural policy, development of the Corsican language and culture)
- sport and popular education (promotion of physical and sporting activities, popular education and youth information);
- planning and sustainable development;
- transport (operation of rail transport, territorial continuity with the mainland, national roads, agreement with the départements for the organisation of interdepartmental links);
- infrastructure management (commercial and fishing ports, airfields and rail networks);
- housing and land;
- economic development (support for businesses, tourism, agriculture and forestry, vocational training, apprenticeship and integration of young people into the labour market); and
- environment (environmental protection, water resources, waste management plan, programme for the exploration, exploitation and development of local energy resources).

From the point of view of partnerships between political and economic stakeholders, there are strong interactions in Corsica. The Economic, Social, Environmental and Cultural Council (CESEC), which is made up of representatives of the economic and social world, academics and citizens, plays a key role in the discussions. Autonomist demands are numerous within the island. In particular, a right to be different is claimed, given the island's character.

2 Impacts of Covid-19 on the region

In addition to damaging people's health and health systems, the global crisis due to Covid-19 has severely impacted economic activity, politics and social systems. The impact of repeated and varying levels of lockdown on territories happens to be highly variable, leading to widening territorial disparities. This variation depends upon the sectoral mix in the region but also on the length and depth of restrictions put in place.

2.1 Economic impacts

With the insularity of the region, Corsica was more impacted than a continental territory by the economic consequences of the rise of Covid-19. The closure of non-essential stores put companies in difficulty during the first lockdown. Then, with the second confinement, all dynamic activities were paralysed and inequalities increased.

First, during the spring and the summer of 2020, the tourism sector was the most impacted by the crisis. The second lockdown in October increased this tourism crisis and transformed it into a "domestic impact", leading to a diminution of maritime and air transport. However, the sector has recovered rapidly: tourism was not as high as before in 2021, with the French people preferring to stay inside the national territory due to the pandemic.

Consumption has also been impacted. The effect of the crisis was also enhanced by the loss of salary and partial unemployment. In total, for a month of lockdown, the diminution of salary represents 3 million euros of salary. The closing of stores and the reduction of transportation caused an important loss of GDP. For the period of spring/summer 2020, the loss of turnover was 1.6 billion euros. All the big private sector players were impacted, especially the small companies.

2.2 Social impacts

The main immediate social and demographic impacts of Covid-19

Poverty and income

The Corsican economy is primarily based on tourist activities, and many young people used to work in tourism. Many students' jobs and seasonal jobs have been terminated or employees have been fired. Thus, the unemployment rate rose. This situation has led to instability and precarity, which has eventually created poverty. Poverty has also been reflected in the high recourse to food aid in Corsica. This is more so as food is an important issue in Corsica, particularly because of the strong dependence on the mainland, a phenomenon amplified by the Covid-19 crisis. Salaries are lower than on the mainland, and the cost of living is higher, particularly in terms of food but also for housing and fuel.

Employment and unemployment

Since the most significantly affected sectors were healthcare and tourism, the impact of the crisis on Corsica has been and still is very high because of its strong reliance, as an island, on tourism and transport. Corsica's GDP is heavily dependent on the tertiary sector. This is mainly accounted for by services, which reflects the considerable importance of public loans and tourism in its structure. Moreover, SMEs have been the most affected across all sectors, especially those in hospitality and tourism. There has been a very high cause of partial unemployment.

Health

The Corsican territory was strongly affected by Covid, but mainly because of the lack of health infrastructure in the territory, and some of the patients had to be transported to the mainland.

Household and living conditions

For quality of life, there are two main aspects: the nature and the impact of the means of transport. The good aspects are related to the way of living, as Corsica is indeed a very natural place. Since the onset of the pandemic, traffic and noises due to planes, and especially tourists' boats, have reduced and many associations and Corsicans have seen this as a positive outcome.

Cases of infection and death due to Covid-19

Concerning data on Covid-19, in March 2020, according to INSEE and Regional Health Agency (ARS) statistics, when France was counting about 7 cases per 100 000 inhabitants, Corsica was counting 30 cases per 100,000 inhabitants. The island's death rate at the beginning of the pandemic was five times higher than in France.

Emerging social trends as a result of Covid-19

Economic patterns have evolved with the pandemic or amplified some existing practices. Indeed, alternative practices have emerged due mainly to changes in consumption patterns (a study on food self-sufficiency in Corsica is underway by the CESEC, on new modes of agriculture respectful of the environment in order to reduce food dependency). Finally, there is a real desire to reorient agriculture towards local production and to change the mode of production by developing organic market gardening.

Covid-19 has shown other ways of managing the public space. More specifically concerning ecological lifestyles, environmental associations have shown the impact of tourism on nature with the cessation of tourist activities, particularly with the absence of highly polluting cruise ships. Indeed, there is a trend towards "degrowth" or at least a greater awareness of the impact of tourism on the environment in Corsica because the economy is based on tourism.

3 Policy response to Covid-19

Opportunities for policymakers and practitioners to advance specific regional and local policy goals and strategies

The pandemic provided an opportunity to accelerate decision-making in the health sector with the creation of the University Hospital. The under-equipment in terms of health (not enough staff or intensive care beds) and the lack of suitable hospital infrastructure posed major problems in managing the crisis. However, this sped up the implementation of projects already underway to create a university hospital.

Alteration of existing policies/strategies

As one of the regions most impacted by the Covid-19 crisis, poverty and precariousness are increasing seriously in Corsica. In terms of social policies, the plan to fight poverty and precariousness launched in 2016 by the territorial Collectivity of Corsica appeared to be the carrier of structural measures that guided social action to curb the crisis. With the Covid-19 crisis, some actions of the plan have been reinforced and given priority, with the financial and political help of the Covid-19 “plan Salvezza”. Among them is food aid: a food conference reuniting for one day all the public and private actors concerned by the subject aimed to take stock of the emergency food aid situation and think about the means to implement food democracy and universal access to sustainable food for all. The establishment of a food bank is currently under discussion.

Alteration of policies/strategies under construction

“There is a real involvement of the Collectivity of Corsica in solidarity and social initiatives,” according to Jean-Michel Miniconi, CRESS (Regional Chamber of the Social Economy and Solidarity) Corsica Director.

At the end of the second territorial conference on the development of the Social and Solidarity Economy in Corsica in 2019, echoing the testimonies and issues put forward during the conference, the Chairman of the Executive Council proposed to initiate a collective and collaborative work on the following 5 themes:

- Social action
- Circular economy
- Sustainable and inclusive mobility
- Food sovereignty
- Financing and supporting Social Economy and Solidarity actors.

Because of the pandemic, this innovative, democratic and collaborative initiative finally took place in 2021, after the Covid-19 crisis. According to the CRESS Director, this is the first time that so many actors (more than 200) take part in the policy making and decision process.

3.1 Proactive policy overview

Financial aid has been given to students by the University of Corsica. This is a one-off aid for students who have lost their seasonal jobs. Indeed, a high rate of student poverty has developed since students on fixed-term contracts have not been able to benefit from partial unemployment.

The agreement on the Corsican regional travel allowance, validated by all the trade unions and employers' organisations, must be implemented in all sectors and for all employees. Moreover, this allowance must be increased (minimum €300).

Just transition policies

The territorial authority of Corsica seized the opportunity presented by Covid-19 to move forward on social public policies. Indeed, in several areas, public services have used the Corsican recovery plan to move forward on social aspects. As many social problems have arisen, it should be noted that many of the policies have been aimed at addressing them. However, it seems that the implementation of these policies has been done more in the short or medium term. The service offered or the support of public policies was, above all, to respond to the problems of the moment.

Table 2 Just transition policies

Focus area(s)	Policy description	Target group(s)/ beneficiaries	Responsible level of governance / financing	Stakeholders involved in policy implementation	Timing of policy	Duration
Business support	Component “Salvezza” of the PLAN SALVEZZA E RILANCIU DI A CORSICA. The “Salvezza” component is a list of emergency actions aimed at safeguarding companies and economic activities, job preservation, and mitigating the social consequences of the crisis.	Businesses	Regional level	Local authority (Collectivité territoriale de Corse) Mayors French Public Bank (BPI France) French government	Pandemic	Short term
Business support	The “Salvezza” component, beyond emergencies, aims to lay the foundations for a real revival and structural adaptation of the economic and social model (based on more multiple models to the challenges of post-Covid development). Solidarity fund for very small businesses, partial activity and exemptions from social charges (€620 million in direct subsidies paid to companies in Corsica) 1 billion euros was also granted by banks to Corsican companies in the form of cash flow loans guaranteed by the State (PGE). These loans are spread over 5 to 6 years.	Businesses	Regional level	Local authority French government	Pandemic	Medium/ Long term
Digital access and competencies	The Corsican local authority turned to Emmaüs Connect to develop the initiative #Emergency Connection, created by the association. The objective is to respond to the needs of vulnerable people facing confinement and deprived of a means of connection and equipment. Indeed, many social services are only available on the internet and Covid-19 has made access even more complicated. With this policy, they want to enable the population to access their services, which until now have been physically and technically cut off. In a con-	Vulnerable groups	Municipal level	Emmaüs Connect SFR Local authority: digital usage department	Pandemic	Medium term

	crete way, SFR has a partnership with Emmaüs connect to offer SIM cards. Then, the association and the community take over and distribute mobile phones with SIM cards to people who have no digital resources.					
Business support	<p>Develop Corsicans' knowledge of local producers, develop short circuit. Creation of a directory of agricultural producers.</p> <p>Support local producers and create a platform that creates a link between consumers and producers.</p> <p>Covid-19 raised awareness of the necessity of sustainable food and food autonomy for the French metropolis.</p> <p>A food conference organised by the local authority pleaded for food democracy and universal access to sustainable food for all. Work on access to sustainable food for families with low budgets / social security of food is needed with monthly allowances on the model of family allowances.</p>	Businesses	Regional level Local level	Local farmers Chamber of Agriculture Corsica	Pre-pandemic / pandemic	Medium/long term
Protect Corsicans from energy insecurity	<p>Protect Corsicans from energy insecurity. Support households in high poverty to carry out the work necessary to improve their energy situations.</p> <p>Energy vouchers: 31,970 households in Corsica will receive assistance in paying their energy bills.</p> <p>Provide help to finance work related to housing insulation.</p>	Vulnerable groups	Regional Local	Local authority	Pandemic	Medium/long term
Business support	<p>This communication plan aims to promote local consumption. This allows for quicker post-confinement economic recovery for local actors. Moreover, this support of local structures based on the short circuit is more respectful of the environment.</p> <p>The action was carried out by the Regional Council of Corsica. Indeed, when the assembly adopts its recovery plan, the community wishes to share certain axes of its strategy with its inhabitants. The communication campaign "Campu è compru in</p>	Businesses	Regional Council of Corsica	Local authority	Pandemic	Short term

	Corsica” aims to promote this strategy. In this communication, several aspects stand out: solidarity and mutual aid values, local consumption and resilience.					
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Green transition policies

During the pandemic, it was possible to focus public policies to be in line with the current climate crisis. All the efforts made for the Covid-19 crisis could be beneficial for the climate crisis, giving them a more permanent feature. Agriculture remains almost the only sector that has experienced a policy revival for sustainable development issues.

Table 3 Green transition policies

Focus area(s)	Policy description	Target group(s)/beneficiaries	Responsible level of governance /financing	Stakeholders involved in policy implementation	Timing of policy	Duration
Business support	Measure to safeguard the agricultural economy. With regard to the agricultural sector specifically, the “senior bank guarantee” scheme proposed by the Office for Agricultural and Rural Development (ODARC) is extended to all farmers who request cash flow financing from their banks. This action, which involves €600,000 in credits from the CdC via ODARC, should enable the guarantee of almost €2.5 million. Possibility to consider a part of the costs linked to the choices of the CEO and for farmers to be under a jurisdiction to avoid collective procedures.	Businesses	Regional level	Office for Agricultural and Rural Development (ODARC)	Pandemic	Medium/ Long term

Smart transition policies

Within this particular framework, the local authority also turned to advancing its digital policy to develop digital tools to access services or products that could only be found in physical form. One area that the region wanted to further develop was e-commerce.

Table 4 Smart transition policies

Focus area(s)	Policy description	Target group(s)/beneficiaries	Responsible level of governance / financing	Stakeholders involved in policy implementation	Timing of policy	Duration
Business support	Creation of a digital “city center” for the region of Bastia by an association. It consists of 150 shopkeepers. The main goal is	Businesses	Regional level	Bastia region Association: Union of Shopkeepers of Bastia City of Bastia	Pandemic	Medium/ long term

	to help all the shops. Once created, they had the support of the region of Bastia. 25 restaurant owners and 40 shopkeepers now have the opportunity to offer their products online. This solidarity marketplace aims to support local initiatives for traders and craftsmen in the town centre of Bastia and the surrounding area to better serve our customers.			CCI of Corsica and Haute-Corse The bank of the territories Sporting Club of Bastia		
Communication and knowledge sharing	Digital online map to identify the many initiatives that have been taken in Corsica to deal with the Covid pandemic. Nearly 10 types of initiatives are listed to allow citizens to propose their initiative and to know those of others.	General population	Regional level	Regional Council of Corsica Project owners	Pandemic	Medium/long term

Crisis management and resilience plans as a result of Covid-19

The CESEC of Corsica's studies on the threat provide a better understanding of the pandemic.

1) Urgency and necessity

Field analysis of Covid-19 in Corsica. Recommendations for Corsica in emergency cases. This study has collected field information and local responses that have worked, such as local food aid.

2) Analysis of the needs in Corsica linked to the consequences of the pandemic

This study has led to the creation of the Corsican Recovery Plan. This was validated by the Collectivity of Corsica and some measures were taken from the study.

3) Food self-sufficiency

The pandemic has reinforced Corsicans' awareness of the need to be self-sufficient in food. However, we do not really know at what point the Collectivity of Corsica has taken these recommendations into consideration in its policymaking process.

Focus on digital inclusion

The challenge with digitalisation is to succeed in proposing a wide range of public services to respond to the two main issues raised by the pandemic: e-commerce and more inclusive digitalisation.

A first issue is the development of e-commerce platforms. This is not self-evident for Corsican consumers and even less so for retailers. In this context, the towns of Bastia and Porto-Vecchio have helped put the products sold by retailers online (via a marketplace).

A second issue concerns the need for digitalisation that leaves no one behind. Emmaüs Connect has developed a tool ("digital relays") to preserve its digital inclusion policy. However, no relays have been set up in Corsica. Consequently, the #EmergencyConnection initiative with Emmaüs Connect did not last. However, the local authority has developed the "Hub in Corsica" to facilitate access to support services. There are several reasons for this. First, as mentioned above, local actors have not taken ownership of the issue in the long term. After the #emergencyconnection initiative, the public authorities were unable to take the lead on the project. Furthermore, a member of the association (Annabelle Redortier, Emmaüs Connect project manager) explained to us that the territory could also potentially explain this. Indeed, Corsicans are not always in the habit of turning to public services themselves. The low level of demand hampers the building of a sustainable policy.

4 Policy impacts

5.1 Policy impact

Socio-economic proactive policies: the impact of the pandemic on social and economic levels

The Corsican recovery plan has injected more than 400 million euros into the economic and social sectors. Indeed, a large investment plan has accompanied the economic recovery of the territory. The Salvezza plan understood the needs of local Corsican companies and was able to target the help provided. It consisted of preserving jobs and supporting cash flow, particularly for small- and medium-sized companies that were struggling.

The e-commerce platform was developed with this in mind. The aim was to create a link between shopkeepers and residents. This strategy can be effective when e-commerce promotes local trade well. Indeed, this market is very competitive. The Covid-19 crisis has largely favoured the use of sites such as Amazon. Therefore, the local authority and public policies wanted to counter the rise in external demand. To do this, public services intervened to create this online trading platform. However, to date, we have not had any concrete feedback on the impact that this has had on traders and inhabitants.

There has been a real desire to break the social exclusion that the pandemic has exacerbated. Several initiatives and public policies demonstrate this. Public policies have used the lever of digital technology to break this effect. In the end, some initiatives, including #EmergencyConnection, digital cards and a digital city centre, were set up to meet this need. There is also more than 10 million euros from the Salvezza plan, which has been dedicated to helping people in need. A big part is being invested in integration through economic activities and the rest in the fight against food precarity, for young people in need, against energetic precarity and for social structures. However, we noticed an imbalance between social and economic investment in the Salvezza plan (less than 3% invested in social measures).

The universal income (an initiative that is probably going to be tested in Corsica) is a very strong anti-poverty policy. Furthermore, it has developed solidarity between citizens and allowed poor people to live. CESEC recognises that this crisis has highlighted the flaws in part of the social protection model. It explains that it is necessary to organise a broad consultation allowing collective choices to be made in terms of social protection, demand a law on "old age", negotiate a generalisation of providence, reinforce the portability of workers' rights, integrate new forms of employment and promote the logic of "working for all and better" rather than "working more". This is a key issue if we are not to see the social climate deteriorate further and avoid possible tensions between workers.

Environmental proactive policy and its impacts

For the "green transition" part, public policies have clearly stated their ambition to have a positive impact on the environment. The objective of these policies is to use the pandemic to take the turn towards the ecological transition, and for that reason, several measures were introduced in the Corsican recovery plan. Through them, one can notice policies aiming to develop a circular economy or responsible agriculture:

- a solidarity market using wastes from large-scale distribution;
- Projects of local agricultural tests for school canteens with urban communities and Initiatives Fabrique from Corsica Active;
- a recycling shop for technical aids (wheelchairs, crutches and braces) that are not necessarily reimbursed by health insurance being launched by the personal services Corsican network (ADMR); and
- a recycling network for the exchange of practices between structures supported by the Initiatives Fabrique.

Digital inclusion policies

As far as the digital inclusion policy is concerned, the results are mixed. In 2020, the initiative co-created by the local authority and Emmaüs Connect resulted in 146 requests for assistance. In 2021, the number of requests for assistance was 18. There was a first launch phase that worked very well. However, the second phase was more complicated. There were several reasons for this:

- **An indirect relationship with the citizens in need:** In fact, the community goes through associations that have knowledge of the real demands of the citizens. The fact that there is an intermediary is a hindrance to the good deployment of the policy.
- **The characteristics of the territory:** Citizens who live in sparsely populated areas, especially in the mountains, are much harder to reach. There are also still “white zones” (areas with no or very poor internet connections), which do not facilitate the deployment of public policy.

For education, the digital service has developed a policy of supporting secondary schools: since 2015, a Digital Workspace has been developed. The pandemic has been used as a lever to increase its power. A call for tenders was created so that they could be supported in this process. Its Learning (<https://itslearning.com/uk/>), a Norwegian company, won the tender (contract worth €900,000). This made it possible to train the teaching staff and anticipate the second containment.

Furthermore, we can recall that the digital service is essentially made up of two people. Therefore, the workload must be absorbed by only two people.

The public policy with the greatest impact on the territory of Corsica

On a large level, the Corsica Salvezza recovery plan has had a very strong impact on the territory and its actors. The resulting policies have been adapted to local actor's needs. A measure concerning the safeguarding of local agriculture is a good example of this. Indeed, the Office for Agricultural and Rural Development has used this plan to help and accompany the actors and find sustainable policies over time. They can preserve the local economy and conversely, they are taking the turn of the ecological transition. This is an example of good practice.

5.2 Governance impacts

The importance of multi-level territorial governance structures in response to the pandemic

Solidarity between public structures was very important, especially in sparsely populated areas, such as small municipalities, which had a strong role to play.

The University of Corsica was a major stakeholder. It has developed a programme supporting the drafting of dashboards for entrepreneurship in Corsica at the peak of the Covid crisis, particularly on human resources. This was invaluable advice for Corsican entrepreneurs. “The University of Corsica is the only one on the territory, it is aware of its important social role for the territory, both for young people and for entrepreneurs in terms of training. It was able to set up programmes and react quickly when the Covid19 crisis began.” Lesia Sergentini – Director of Innovation, Internationalization and Territorial Intelligence at ADEC. This measure has become sustainable; it has turned into a workshop and an exchange platform for young entrepreneurs. In this specific case, the governance of the pandemic and measures comes from the university and clearly creates multi-level governance.

The importance of collaborative cross-sectoral governance processes in response to the pandemic

The recovery and resilience plan (“Plan salvezza e rilanciu di a Corsica”) led to more participation in decision-making, reuniting public and private actors, regional and local, around the table. However, one of the criticisms that have been made is the persistent lack of participation. For example, at the end of the food conference mentioned earlier, the main proposition was to create a food bank, an action criticised by the President of the Chamber of Agriculture of Haute-Corse, Joseph Colombani, upset that neither the farmers nor the Office of Agricultural and Rural Development of Corsica (ODARC) have been part of the conversation even though they are key actors in the implementation of such actions.

The governance structures have changed by relying more on local associations and public/private structures dealing directly with the persons impacted the most by the consequences of Covid-19. Collaboration was an essential part of these policies, based for some of them on the recommendations of the CESEC, on a leadership and/or on working groups reuniting national, regional and local actors.

However, concerning Social and Solidarity Economy, such a collaborative governance structure was not the result of Covid-19, as we saw before with the five thematic groups started in 2019 by the Collectivity of Corsica and the CRESS.

It has also enhanced rural–rural cooperation between small villages. However, according to one of the people we interviewed, there are still some blockages in the partnerships because of the structures that think more in terms of competition than cooperation.

Key stakeholders involved in formulating and implementing proactive policies

Most of the main policies have been initiated by the Collectivity of Corsica, with the help and recommendations of the CESEC report.

Concerning social policies, the Collectivity of Corsica worked with key structures, such as CRESS Corsica and Corse Active for Initiatives. Furthermore, the associations were involved in the application of these policies. In fact, Emmaüs Connect, the Croix Rouge and a large part of the associative network were involved in the digital inclusion policy. Smaller local social organisations and structures for integration through economic activity, such as FALEPA, ALPHA, Partage and Opra, have also been involved.

5.3 Financial impacts

Impact of policies or lack of policies on public/private funding

On the economic level, flat-rate aid for companies for the loss of turnover and payment of rents was provided by the Corsican collectivity in the recovery and resilience plan for Corsica.

The interview with the local authority’s digital department identified several funding mechanisms.

If we go back to the funding plan set out above, two measures were dedicated to this service: measure 5.7, financial support for digital mediation spaces; and measure 5.8, Emmaüs Connect grant. Both officers explained the considerable advantage of the adaptability of these measures compared with the European fund. They compared this plan with obtaining funding from the European Regional Development Fund. Indeed, these two measures were able to accompany the European funds, which are much more substantial but harder to obtain and qualified as “administrative heaviness”, especially the administrative follow-up during the project.

Types of financial measures, actions and instruments introduced to deal with the crisis

The local authority has provided support for the investments necessary for the ecological transition of households through the creation of the PTIC (Plan de Transformation et d’Investissement pour la Corse). This plan will continue after the pandemic.

Financial aid for energy security has been launched by the Corsica Recovery and Safeguard Plan.

The Corsican Economic Development Agency and the Chamber of Commerce are warning about the use of state-guaranteed loans. Indeed, the agency proposes instead a “participative loan” with the will to recompose the treasury. This participatory loan considers the need for recompositing, i.e. the modulation of repayment according to the economic reality of the structure. Therefore, repayment is more flexible than that of state-guaranteed loans.

On these financial issues, complementarity between the recovery plan and regional action is essential.

Concerning social inclusion and the reduction of social inequalities, the High Commission for the Fight Against Poverty increased its financial support for structures dealing with vulnerable people. Moreover, the Collectivity of Corsica had planned to set deadlines for easing grant disbursements for structures relying on it, especially during the Covid-19 crisis. “But it didn’t work, the delays were even longer than usual,” said Jean-Michel Miniconi, CRESS Corsica’s Director.

5 Future policy directions

5.1 Future policy direction

Some of the already identified and adopted policies can be upscaled and replicated in other EU regions, as long as these regions have the necessary budget to implement them and as long as the needs of these regions are similar to those of Corsica, which has the territorial peculiarities of being island.

Just transition policies

Circular economy

Covid-19 highlighted the economic dependency of Corsica on the metropolitan territory, the importance of tourism and the reliance on seasonal jobs, with the food industry showing the importance of developing short-circuit agriculture, supporting local farms and gardening and developing a circular economy.

Food autonomy

The strategic objective of food autonomy will require profound reorientation of both the Corsican agricultural production system and the demand of local consumers. Indeed, in the last 40 years, Corsican agriculture and breeding have been mainly oriented towards exports (wines, clementines, etc.) or tourist demand (strong summer seasonality). If we wish to regain a food-producing vocation, it will be necessary to review priorities and explore new sectors.

On the demand side, consumption patterns have shifted towards foods that are not Westernised and those that are not very present in the regional offer. It is strongly recommended to move towards a more local way of farming. Indeed, the locality allows one to quickly adapt to the situation. Supply and demand are better controlled. At the same time, you have better knowledge of the market and its network of stakeholders.

In this way, the objective of food autonomy will also involve a gradual shift to the Mediterranean diet, with its nutritional and cultural benefits. Thus, such a strategy will require continuous efforts over the long term on both sides of the local food supply and demand to jointly meet this demand and achieve these ambitious goals.

Social and solidarity economy

Concerning social action, the territorial governance emphasised local actors, such as municipalities or structures that are part of the Social and Solidarity Economy, that deal with people and can share their experience and good practices on the territory. It also showed the importance of the digitalisation of deprived territories in order to enable policies to cover all the territories as equally as possible.

5.2 Regional recommendations

Policy recommendations

Strengthen the support for the digitalisation of public services and the possibility of teleworking by providing internet routers and potentially the acquisition of laptops for the inhabitants. Even if teleworking has gained considerable interest in France, digital infrastructures are needed to achieve digitalisation. The Covid-19 crisis has highlighted great disparities in access to the internet and to digital tools. This has put the fight against the digital divide among the priority public policies with large financial investments and collaborations with local associations, with more awareness of the needs of the people affected by the divide.

5.3 Governance recommendation

- **Continue to provide appropriate administrative competences to Corsica** to facilitate the cooperation of stakeholders on a local scale. The coordination conference of territorial authorities in Corsica (bringing together members of the executive council of Corsica, the president of the Assembly of Corsica, the presidents of agglomeration communities, the mayors of municipalities with 30,000 or more inhabitants, a representative of territorial authorities and groupings of authorities in mountain territories, eight elected representatives of the presidents of communities of municipalities and eight elected representatives of the mayors of municipalities with fewer than 30,000 inhabitants) has shown its effectiveness in coordinating stakeholders and facilitating cooperation during the crisis.

5.4 Territorial recommendations

- **Create suitable conditions to develop spatial planning and territorial policies focusing on the development of the island to promote economic autonomy and diversification.** Corsica's economy is largely dependent on tourism, and the island has been hit hard by the Covid-19 crisis. In this context, the stakeholders in territorial development must find ways to diversify. Given the island's character, economic empowerment is also important, particularly in terms of food and energy.
- **The Corsican economy wants to move towards a production economy,** and the desire of Corsican companies to diversify has been reinforced by the economic crisis linked to Covid-19. Some companies have made investments to increase their production capacity. For example, the aeronautical cluster in Corsica is investing to have more efficient tools and be more competitive, because this industry has suffered a lot due to the crisis. Investments are needed in research and development, with more training and diversification of partner networks in the sector.

5.5 Financial recommendations

- **The partnership with associations is an opportunity for the territory.** It allows the territory to widen its financial tools and implement solutions for its citizens. Public procurement is also a factor that can be a great opportunity to boost the economy. Indeed, proposing a public contract to solve a problem posed by the pandemic creates a supply, and local actors can respond. It is another form of investment that brings the public and private sectors together.
- **Facilitate the use of European and national policy funding instruments to deal with future crises.** French regions commonly have difficulty absorbing the European funds made available. Moreover, the competition for national public funding raises questions about the ability of remote territories to respond to these calls for projects. The island has particularly struggled to obtain the funds made available during the crisis. Consequently, Corsica should set up a support service for stakeholders in territorial development to facilitate the preparation of applications and access to funding.



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