Regional Policy in Portugal: Achievements and Challenges

EoRPA 40th ANNIVERSARY CONFERENCE
WHAT ROLE FOR REGIONAL POLICIES IN AN UNEQUAL EUROPE?

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Structure of presentation:

Achievements:

- Objectives
- Geographies
- Governance

Challenges
Objectives
Main objective of Regional Policy in Portugal:
Development of all territories and Reduction in regional disparities

A brief history of the last 40 years

80’s to middle 90’s
- Local infrastructure
- Managing relevant industrial declining zones (OID)
- Professional training
- First approach to state aids schemes to improve territorial competitiveness (SIR)

Middle 90’s to middle 2000
- Improving economic competitiveness of all Portuguese regions and shifting the productive profile of the Portuguese economy;
- Professional training;
- Improving accessibility (transport infrastructures) and other public infrastructures (hospitals, universities, power plants, water and wastes, etc.)
- Urban Focus – Social inclusion (Urban), Medium-size cities (PROSUIRB) and major urban renewal interventions in main centres (POLIS);
- First attempts on promotion of endogenous development in rural areas (PPDR, AIBT and RDA)
Main objective of Regional Policy in Portugal:
Development of all territories and Reduction in regional disparities

A brief history of the last 40 years

Middle 2000 onwards

- More integrated support to national and regional innovation systems (clusters and RIS3);
- Quality, efficiency and effectiveness of public services in a network approach – the intermunicipal approach (ITI - urban/rural linkage) within a decentralization trend;
- Low carbon strategies (strong focus on sustainable urban mobility);
- The promotion of employability (the more integrated approach between education and professional training);
- Social inclusion local interventions (e.g. CLDS, TEIP and Urban CLLD);
- Urban Focus – Urban renewal (PRU and AIDUS/SUD) and a territorial model for Portugal (PNPOT)
- The promotion of endogenous development in low densities areas through Integrated public and privates investment strategy (PROVERE and LEADER/CLLD);
- More recently a strong focus on the quality of services and employment opportunities in interior.
Some remarkable results

The Portuguese economy specialization pattern

Exports of goods and services (% of GDP)

Balance of goods and services
The Portuguese economy specialization pattern

Share of sector in GBCF for Portuguese Economy in 2015-16 and PT2020 incentive schemes approvals until September
Some remarkable results

Education: Early leavers from education and training

Source: INE

Source: Eurostat
Some remarkable results

ISDR 2017 - Competitiveness & Cohesion

Competitiveness

Cohesion

Source: National Statistics
Some remarkable results
ISDR 2017 - Environment & Overall

Environmental quality

Regional development overall index

Source: National Statistics
Some remarkable results

Accessibility of General Interest Services 2017
More recently…

internal convergence with EU divergence

GDP per inhabitant PPS (EU28 = 100)

Source: Eurostat
More recently...
internal convergence with EU divergence
(Theil Index)

Source: Eurostat, data calculations of (AD&C / UPR) at Development and Cohesion Report
More recently...

internal convergence with EU divergence

Map 3.4: A fragmented Europe? An interregional comparison of income


Data on primary income per capita in PPS was used (Eurostat dataset: nama_1tr_2rhinc).

Income per capita is based on 2016 figures, except for France, the Netherlands, Poland (2015), Bulgaria, Denmark, Italy and Slovenia (2017).

Annual income growth is based on 2006 and 2016 figures, except for France, the Netherlands, Poland (2006-2015), Bulgaria, Denmark, Italy and Slovenia (2006-2017).

Data for the NUTS 2016 classification was not available for two Polish regions (Warsawski stołeczny, Mazowiecki region), so the NUTS 2013 unit was used (region of Mazowieckie).

No data was available for NUTS 2016 regions of Lithuania (April 2019).

Countries with only one NUTS2 region were assigned to the median profile (CY, EE, LT, LU, LV, MT).
The Middle income trap?
MS GDPpc (PPP) as a % of the EU28 average, based on the 2000 value

Source: Eurostat
Member States GDPpc (PPP) convergence process, 2000-2016

Source: Eurostat, data calculations of AD&C
Large part of convergence in Europe driven by depopulation processes

Source: Eurostat, data calculations of AD&C
PT with a relative low NUTS II inequalities within EU context

National GDPpc (PPP) and regional GDPpc (PPP) dispersion (NUTS II) as % of EU28 average, 2016

Source: Eurostat
Geographies
Portuguese institutional setup

Central Government

Ministry 1
Ministry 2
Ministry 3

Ministry responsible for Regional Development (Planning)

Regional Department 1
Regional Department 2
Regional Department 3

Regional Governments (Azores e Madeira)

Municipalities (278) and Municipalities Associations (23)

Mainland

Municipalities (30) and Municipalities Associations

Autonomous Regions

Split of territorial scale
Direct dependency
Cooperation Relations
Geographic Coverage in Portugal

3 categories of regions GDP/capita (EU27=100)

- **Less developed regions**
  - < 75% of EU average
  - NORTH, CENTRE, ALENTEJO and AZORES

- **Transition regions**
  - 75-90%
  - ALGARVE

- **More developed regions**
  - > 90%
  - LISBON and MADEIRA
ITI / PDCT
22 NUTS III (except for Algarve)

SUD / PEDU / PARU
105 Urban Centres and
166 other urban areas
CLLD – Community-Led Local Development

54 Rural LAG

16 Urban LAG

12 Maritime LAG
Measures for positive discrimination in low-density territories:

- Specific calls
- Bonus in the evaluation of applications
- Increase in the co-financing rates
The results...

- NUTS II a central geography for deconcentrated process and regional strategies
- The relevant role of geography of municipal associations (NUTS III) – the scale for subregional strategies
- The relevance of urban approach though mainly at inframunicipal level
- Some relevant experiences with functional geographies in promoting economic development (PROVERE and LEADER)
- A recent stronger focus on interior
Governance
Main governance instruments:
Portugal 2020 (2014-)

Ministry of Regional Policy:
- Ministry of Regional Development (2013-2015);
- Ministry of Planning and Infrastructure (2015-2019);
- Ministry of Planning (2019-)

Scale of management:
- EU
- National
- Regional
- Subregional
- Local

Scale of main effects/impacts:
- Local
- Subregional
- Regional
- National
- UE

Financial Instruments (OP)
Other governance Instruments

4 THEMATIC OP
REGIONAL OP
PROVERE
CIM CONTRACTS - ITI
LEADER - CLLD
SUD
Clusters
Some relevant governance tools

- Territorial coordination council and Regional Councils
- Interministerial monitoring WP for the decentralisation process and PNCT measures
- AD&C's role in coordinating instruments and promoting analysis and debate with regional and national actors
- Territorial Instruments (ITI; CLLD; SUD)
- Policy evaluations also as a process of ownership, empowerment and debate...
- The importance of cooperation with SEN for statistical information
### Relevant trends in Governance

1. **The more demanding framework of Cohesion Policy instruments:** result orientation, strategic framework, evaluation, etc.

2. **The “creation” of a third level of governance – Metropolitan areas and others intermunicipal associations;**

3. **The decentralisation trend ... and the national ongoing debate on the regions and Metropolitan Areas**

4. **The relevance of National Spatial Planning Program (a law that defines the territorial model)**

5. **The “societal call” for a positive discrimination on low density areas and the policy reply through the National Program for Territorial Cohesion**
Challenges
Main persistent Challenges

- The need to improve the integration/coordination across the main regional policy instruments (EU funds, Spatial planning, Focus on interior, decentralisation and agricultural development in rural areas)

- The ability to be selective and pursue different and adequate solutions in different territories (trade off specificities/equity)

- Improve the sustainability of strategies, guaranteeing the credibility of public policies. For that purpose, it is important not to puzzle strategies/governance/financing;

- Clarification of competences across public agents/public institutions... strengthening the consistency of “administrative geographies”;

- Maintain capacity-building actions at all levels (local, subregional, regional and national) and the relevance of local leadership
Some relevant new Challenges...

The right balance between a focus on less developed regions of interior (internal convergence) and the need to enhance development of the more dynamic regions (external convergence)

The efficient and effective way to provide accessible and affordable public services in all regions, mainly in the regions under depopulation and ageing pressures

Promote more flexible framework for the local agents in order to mobilize and animate the territory, rather than performing more administrative and bureaucratic duties...and avoid to replace thematic fragmentation with fragmentation in territorial strategies

The ownership of low carbon agenda at local level and the adequacy of public policy instruments to change effectively and timely the agents’ behaviours

The right balance between focus and flexibility in regional industrial policy (e.g. RIS3)
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