

## **INTERNATIONAL SEMINAR – ECONOMIC CONVERGENCE AND REGIONAL DEVELOPMENT POLICIES**

**3 April 2017, Serralves Foundation, Porto**

### **Round table: *Regional Development Policies: From Lessons to Future Challenges***

#### **Conclusions**

Europe is facing a series of challenges associated with productivity, technological change and demographic change, which have major implications for regional competitiveness and territorial cohesion. Inequality is increasingly being recognised as damaging, economically, socially and politically. We require more regional policy – though not necessarily regional policy as we have known it.

We need to distinguish between cohesion as an objective and cohesion policy as an instrument. Policy responses to cohesion need to be broad, embedded in a broad range of relevant economic and social policies which need to be developed with a territorial perspective or lens. Policymakers need to give more attention to distributional questions and recognise the spatial asymmetry of macroeconomic policies and structural reforms – they are not spatially blind or spatially neutral. Policy objectives are interdependent and require a more coherent approach to developing sectoral and policies.

If all parts of the EU are to benefit from integration and globalisations, policymakers need to mobilise the endowments of all regions to ensure that each can exploit the opportunities and overcome constraints. The problem is how to design policy responses that are calibrated to very different regions – from the territorial challenges of social exclusion in the big cities to underdevelopment in remote, peripheral regions. Greater regional specificity needs to be built in to policy interventions.

Much of the focus of regional policy governance over the past three decades has been on decentralisation and devolution to the regional level, although this has been halted or reversed in some countries during the crisis years. Further, there increasing recognition that a place-based approach needs a more flexible approach to the spatial scale of interventions, potentially requiring interventions targeted at sub-regions, localities, urban areas, functional regions etc.

A major challenge is how to develop effective systems of governance and government to manage territorial development in the future; the problems are multi-faceted, cutting across policy domains and levels of government. Coordination and cooperation are critical, but with more flexibility than the static, formalised systems of the past, capable of reacting quicker and more dynamically to problems; more sophisticated approaches to coordination are needed. One question is how to ensure that partners in cooperation mechanisms recognise that not everything can be solved by others; they need to take more responsibility themselves.

Finally, capacity building is critical if our institutions are to be more adept at meeting the policy and governance requirements of the future. This is not just an issue of skills, structures and tools – important as they are – but an issue of intangible factors like, trust, and a willingness to learn and innovate.

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