

Regional development policy in OECD countries

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30 OECD Member countries



5 new OECD Member countries



5 countries with enhanced engagement with OECD

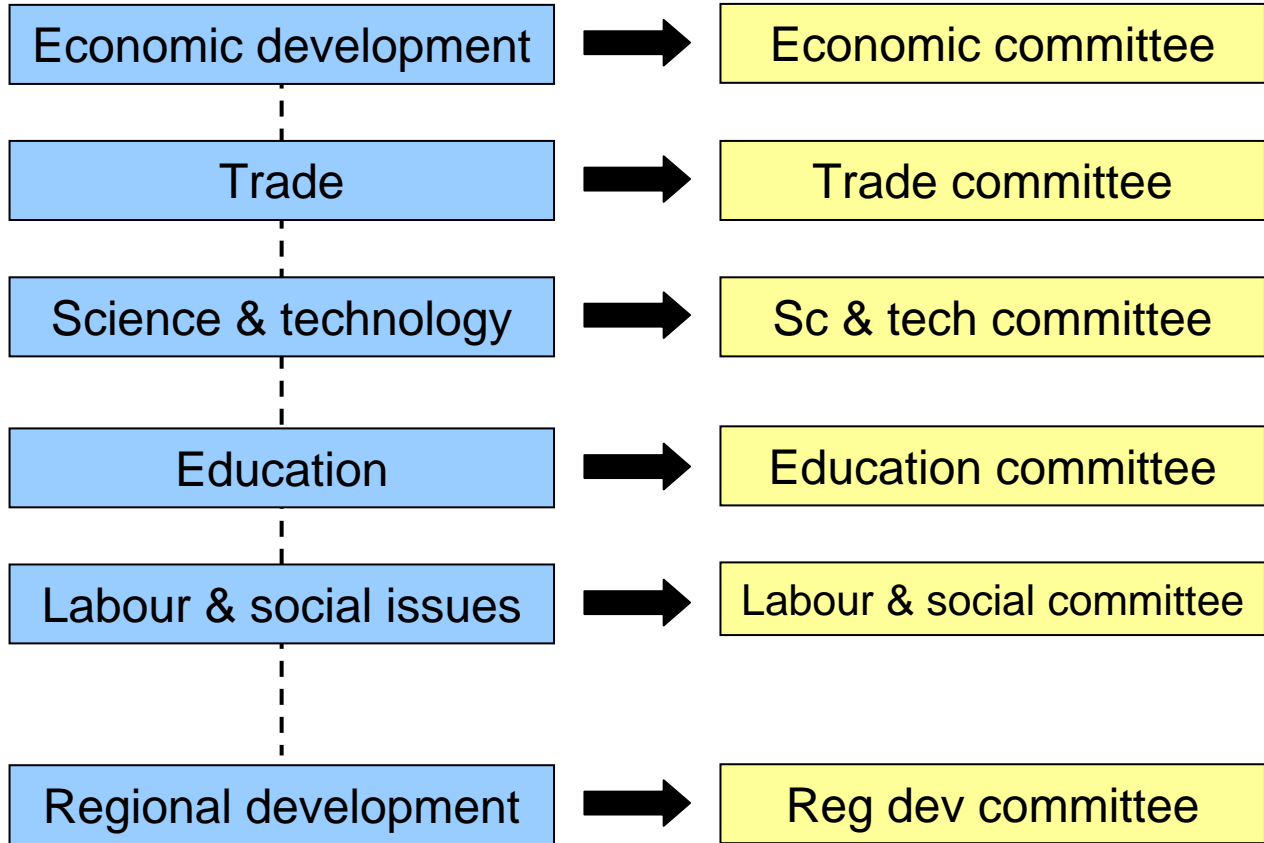


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Directorates

Committees

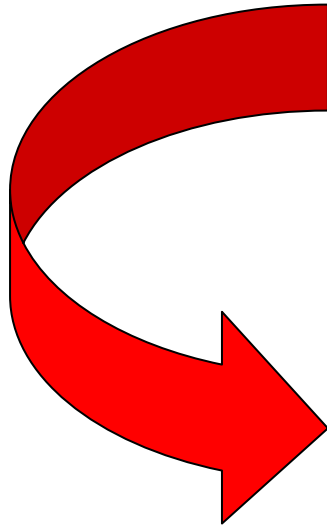
(composed of central government officials)



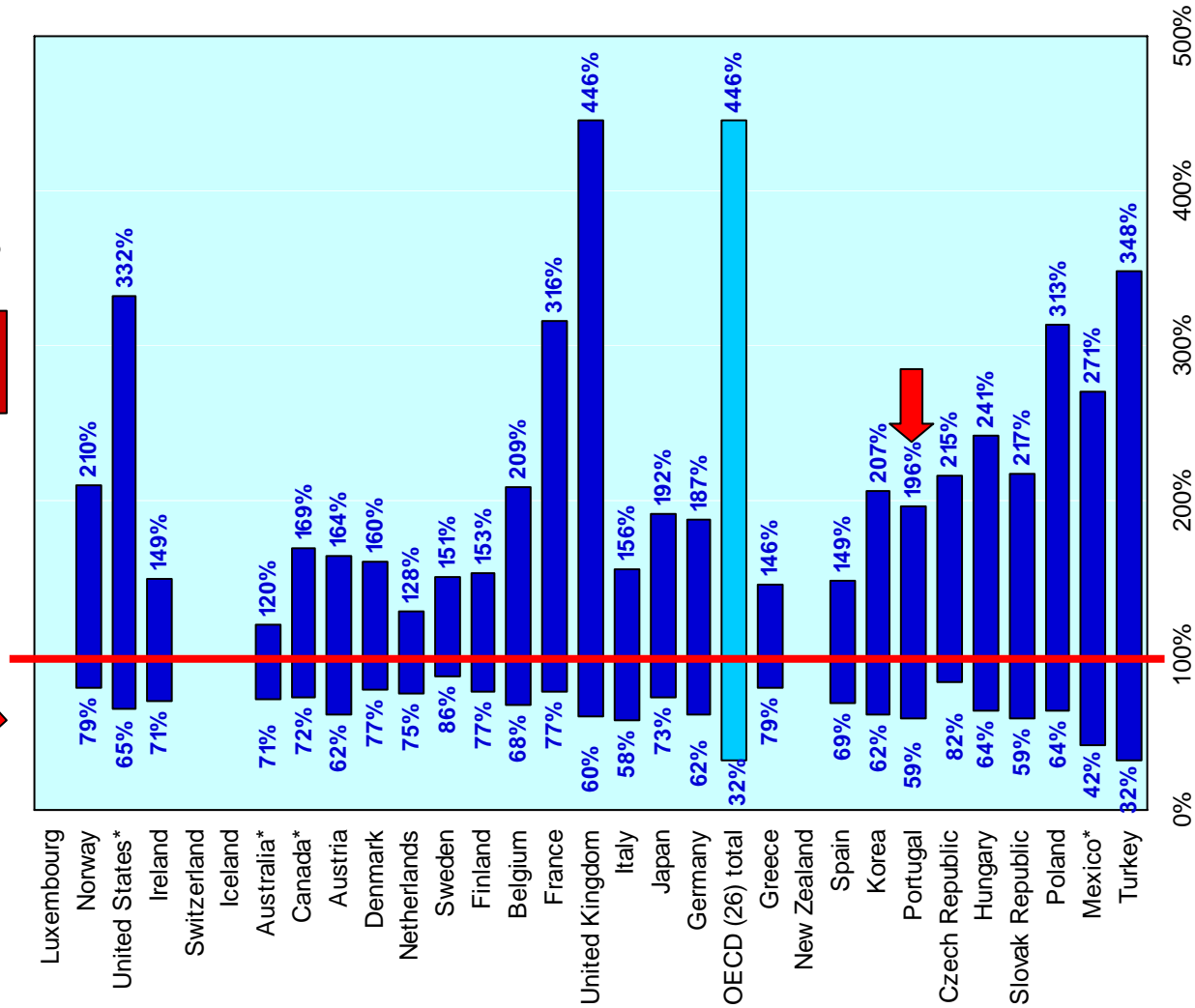
Regional policy started as a tool for cohesion

Highest and lowest GDP per capita in TL3 regions, 2003
100% = national average

Redistributive subsidies from richest to poorest regions

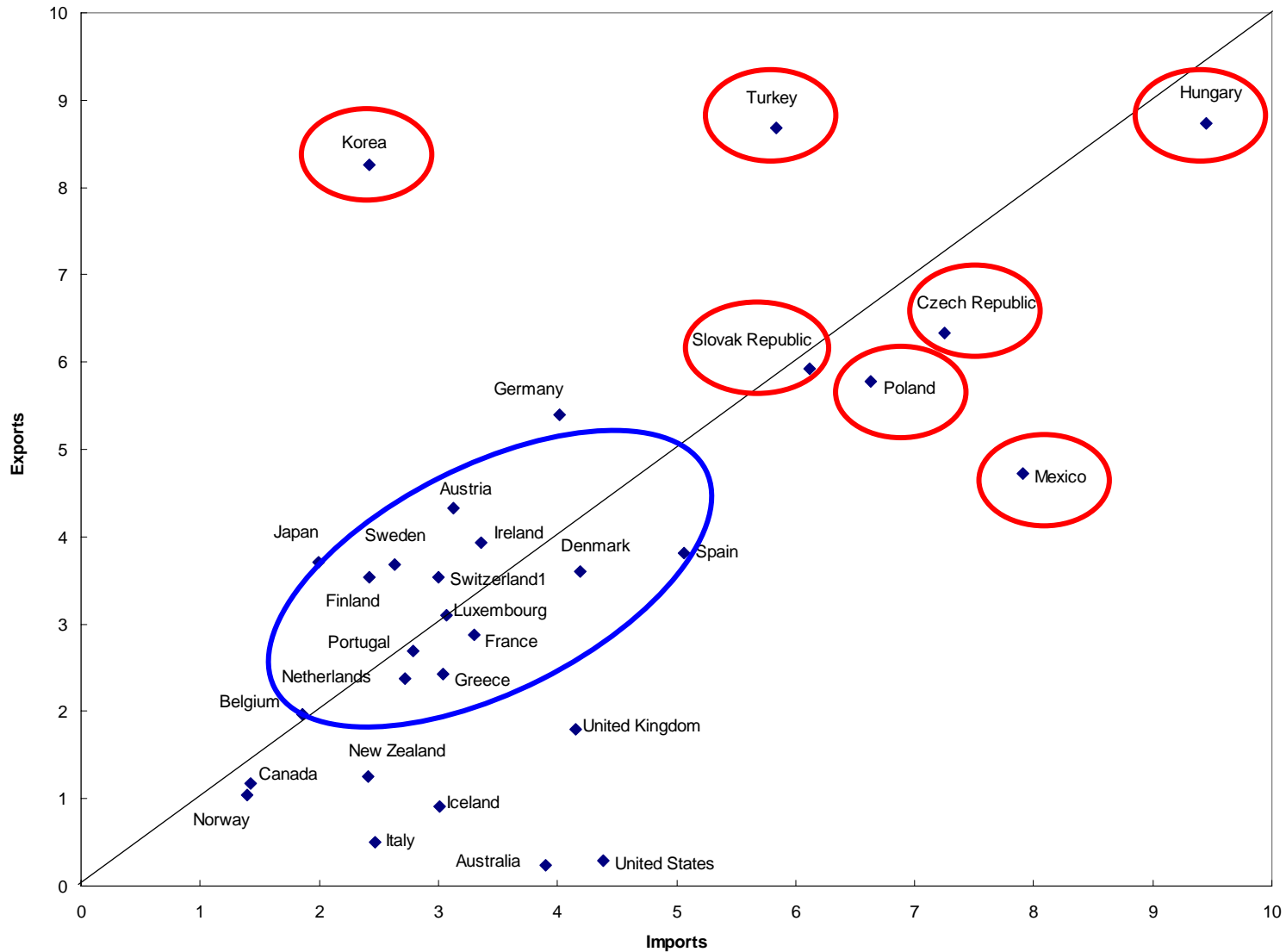


Transitory compensation

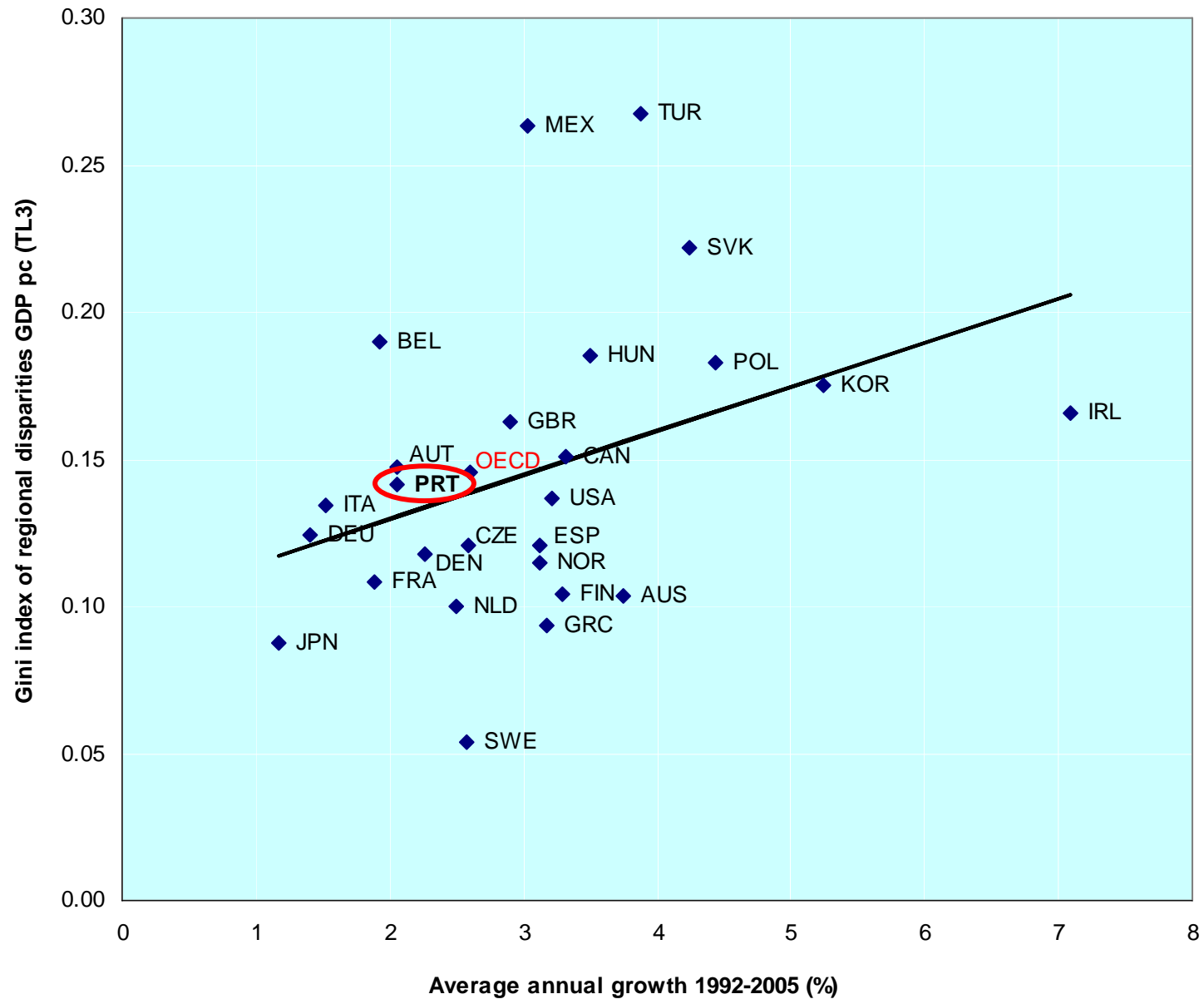


Globalisation calls for growth & competitiveness

Average annual growth of trade in % (1995-2003)



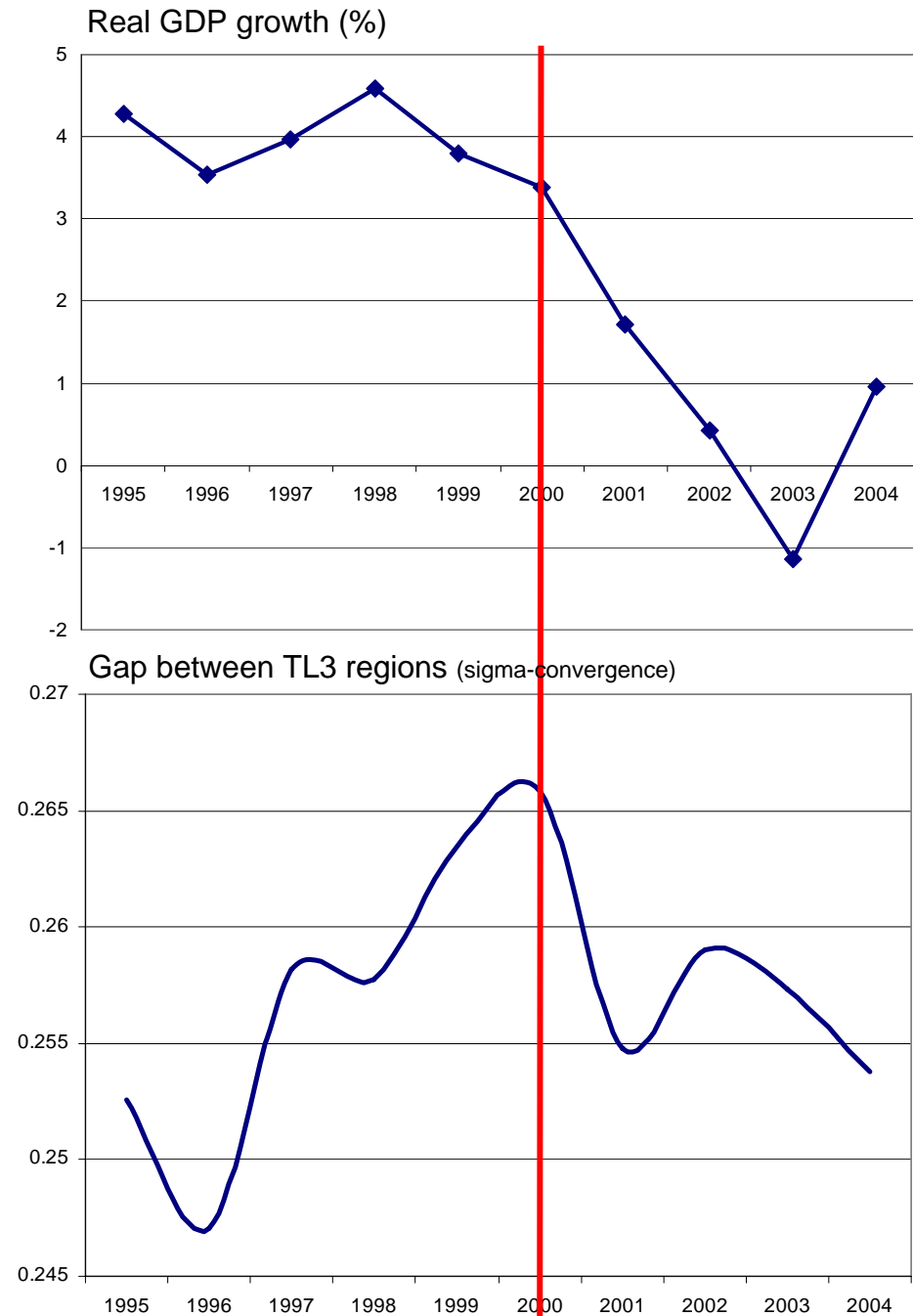
Growth & competitiveness are not incompatible with regional disparities



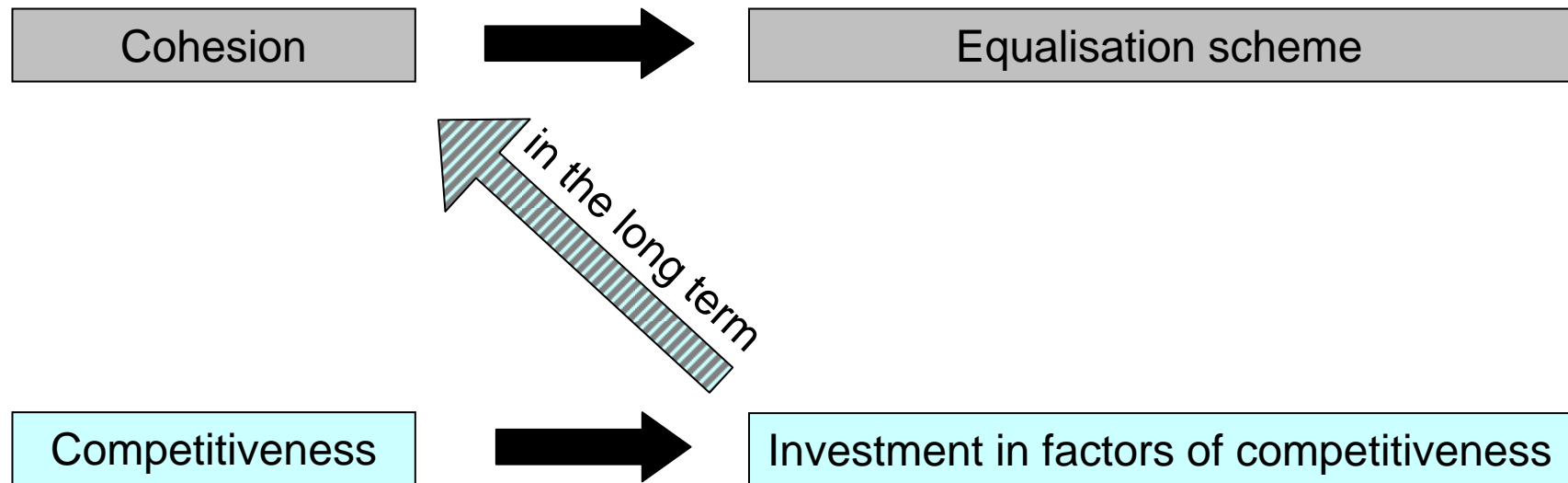
Example of Portugal:

**During strong economic growth,
the gap between the richest and
the poorest regions increased**

Since 2000, the gap decreased

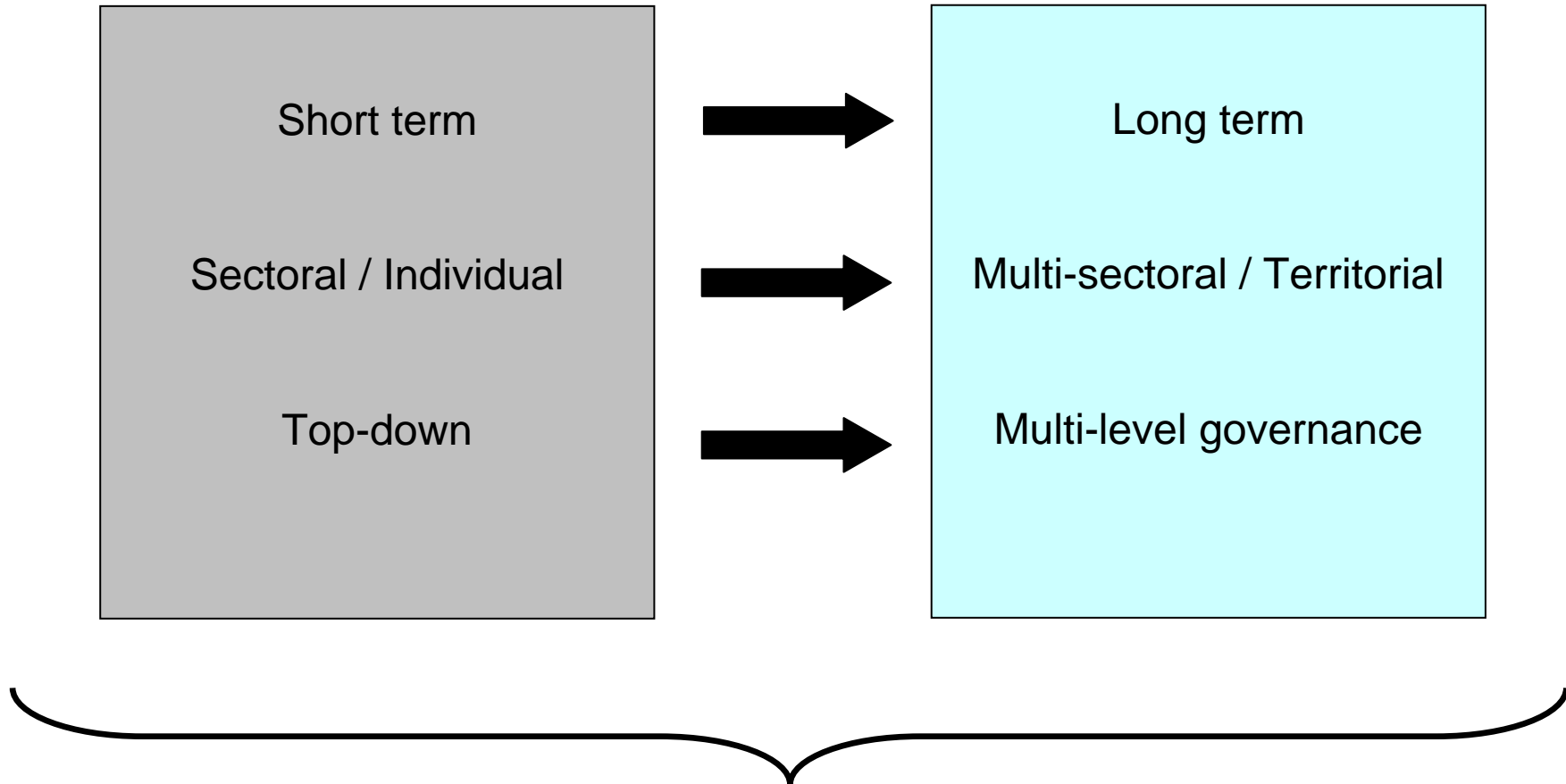


Adjusting objectives & tools



... which are localised and territorial

Regional policy needs to be place-based, which calls for a paradigm shift



- 1. Implementation**
- 2. Resistance**

1. Implementation

- Competitiveness vs. equity objectives
- Use of specific strategies
- Regional differentiation
- Governance of regional policy
- Policy coherence

2. Resistance

- Vertical ministerial organisation
- Introduction of new actors
- Functional areas
- Competition & selectivity

Evaluation

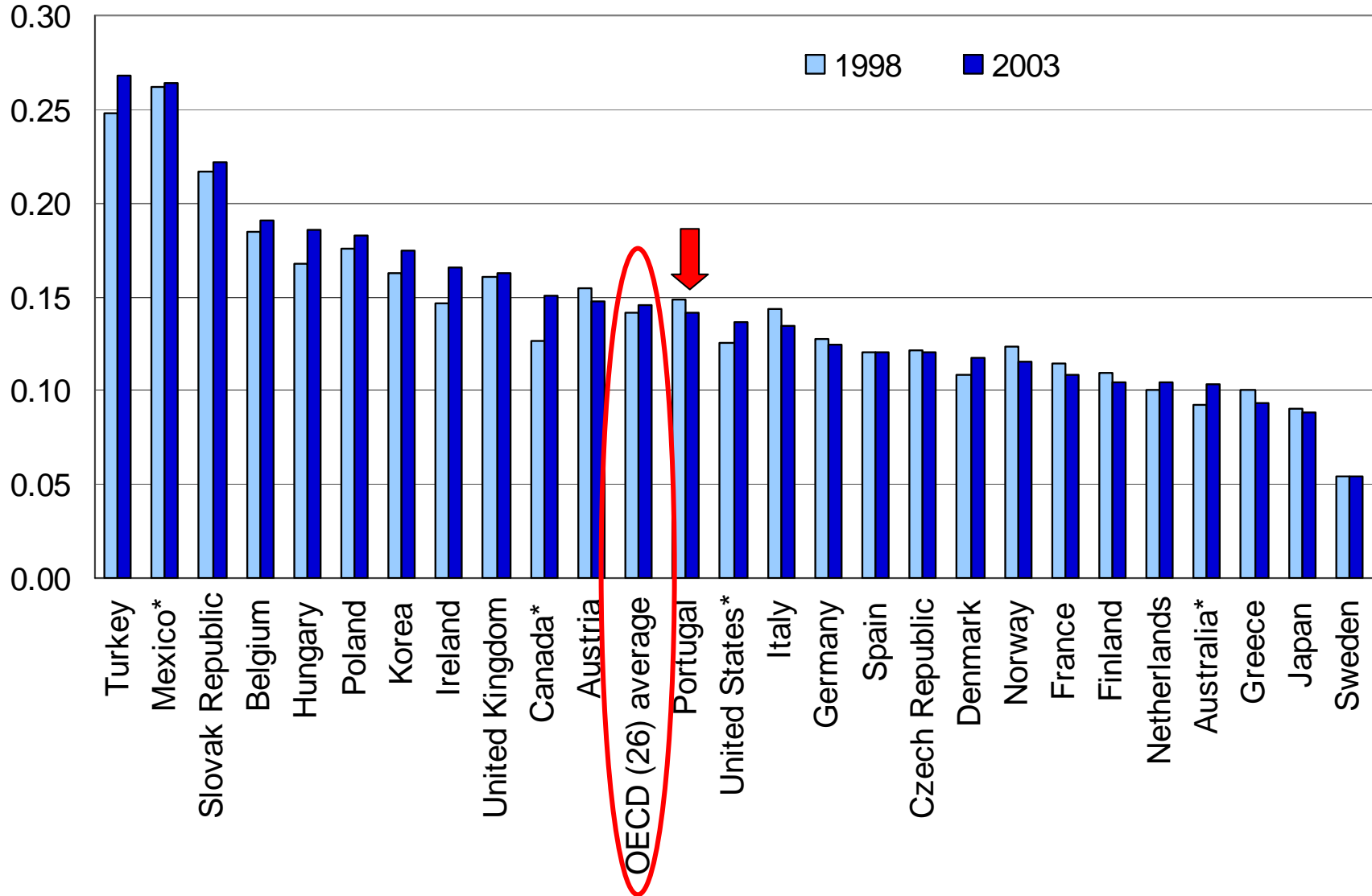
Learning process



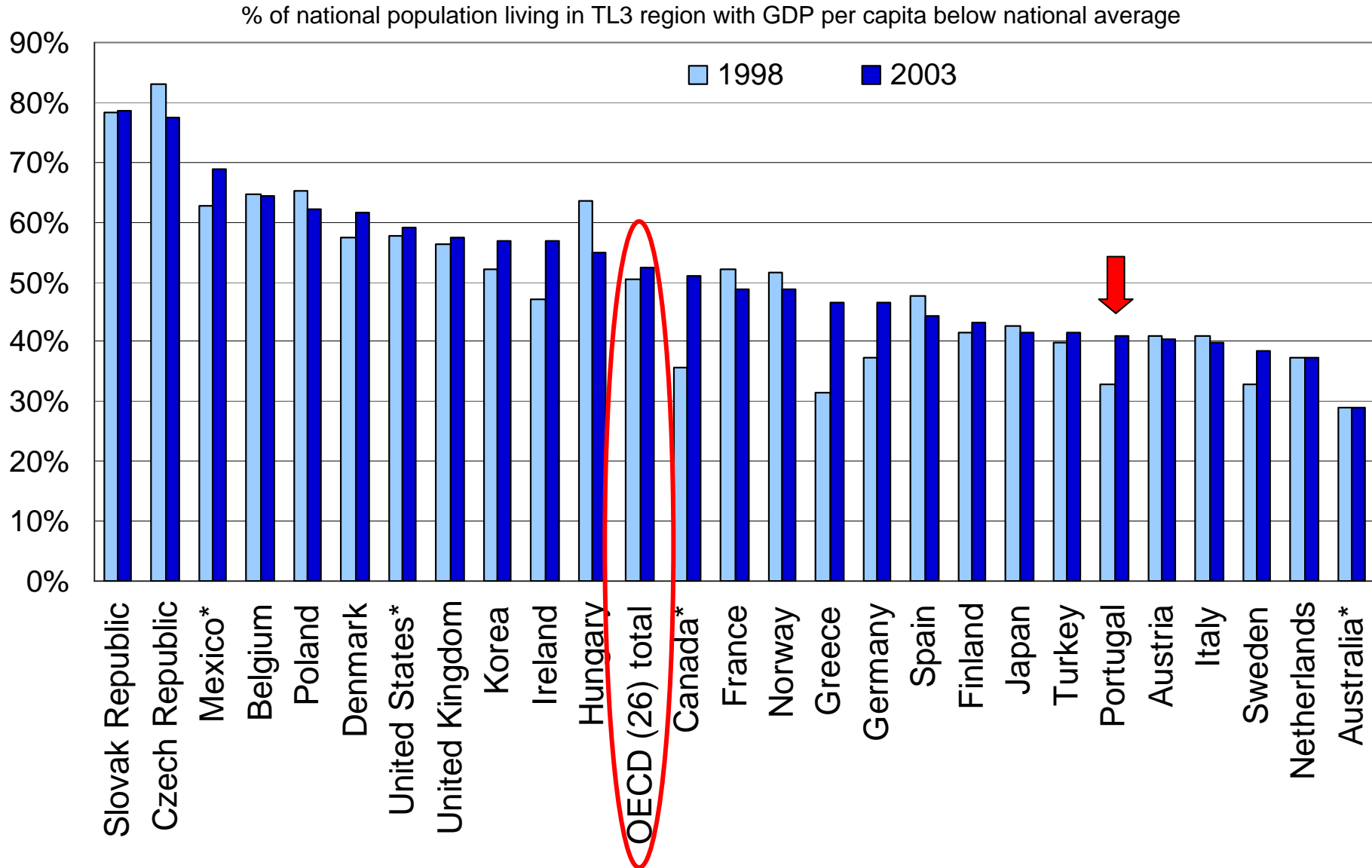
ANNEX

Regional disparities increased slightly in OECD countries

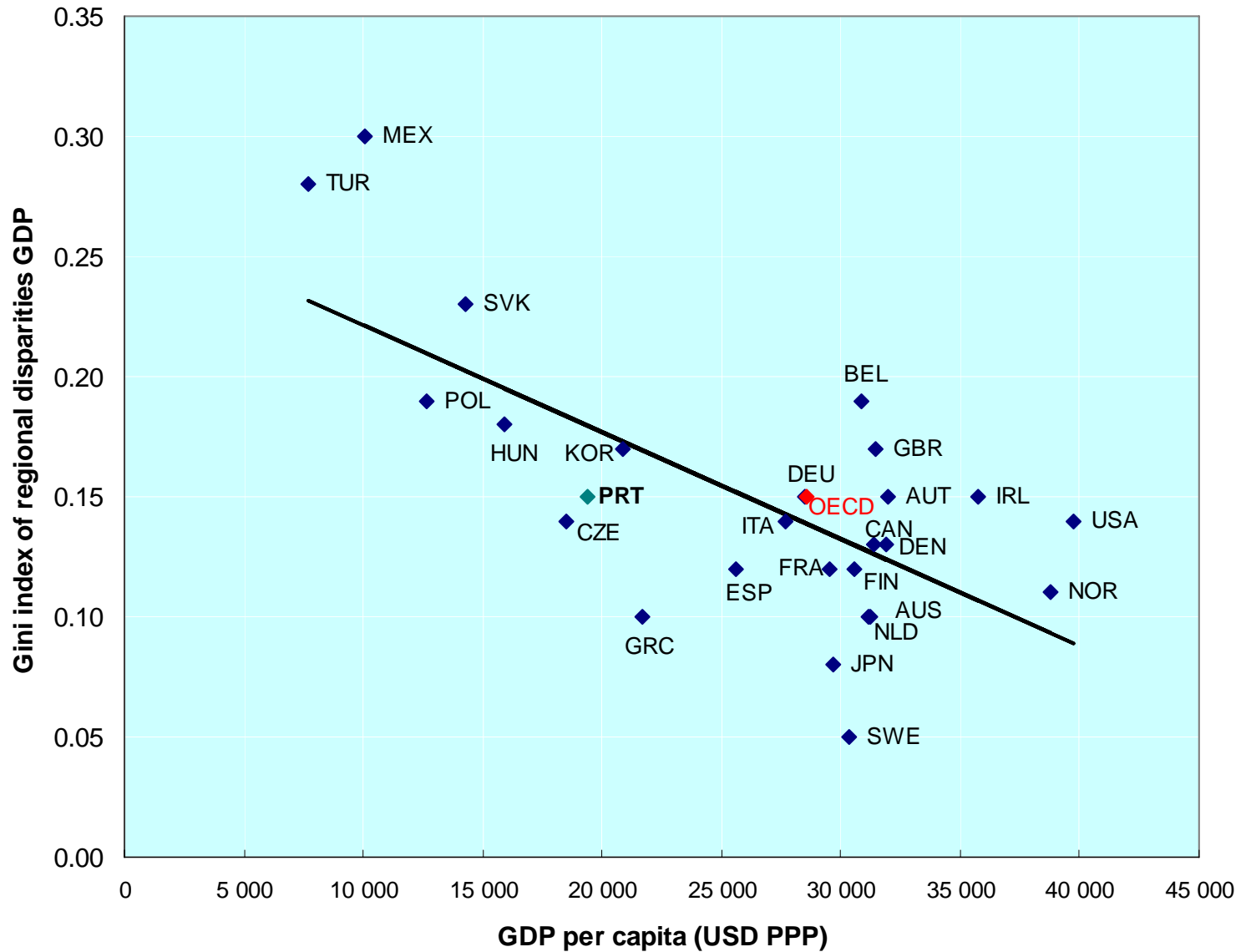
Gini index of inequality in GDP per capita across regions within each country
(data at TL3, except *TL2)



... which affects a larger share of population



Richer countries have less regional disparities



New rural paradigm

- Rural is no longer synonymous of agriculture
- Rural is no longer synonymous of decline
- Rural areas are increasingly exploiting their own rural amenities
- From « rural exodus » to « urban exodus »

Example of Mexico: the « *Microrregiones* » strategy

- Establishing strategic community centres
- Defining development priorities through participatory process

New urban paradigm

- Urban areas as engines of growth...
- ... but « urban paradox »: urban areas also concentrate challenges
- Policies to support poles of growth (e.g. France, Finland)
- From a remedial approach to a proactive approach
- Leading role of central government:
 - reorganisation of ministries
 - legal, fiscal, financial incentives
 - new forms of vertical collaboration

OECD annual forum of Ministers/Mayors
(March 2007: Madrid, Feb 2008: Milan)