



WHAT ROLE FOR REGIONAL POLICIES IN AN UNEQUAL EUROPE?

40TH ANNIVERSARY CONFERENCE OF THE EUROPEAN REGIONAL POLICY RESEARCH CONSORTIUM

9 OCTOBER 2019, SCOTLAND HOUSE, BRUSSELS

FINAL REFLECTIONS ON THE CONFERENCE

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This conference has involved extremely rich presentations and debate which cannot be easily captured in a short summary. At the risk of failing to do justice to the quality of the discussion, some of the issues raised can perhaps be articulated in terms of seven 'challenges' or 'tensions' for regional policy.

1. The conceptualisation and focus of policy. Is regional policy a policy for weak regions or a policy for all regions? Where should it be targeted? To what extent and how can sectoral or horizontal policy objectives be addressed without undermining regional policy objectives? While some countries have long held either sharply focussed regional policies or broader regional development approaches, others have oscillated between an all region and more focused policy, suggesting that for some these tensions are not fully resolved.

2. Coordination and flexibility. Coordination across policy areas and between tiers of government is a perennial issue in regional policy debates. 'Is it just too difficult?' Is the answer not to look for policy synergies but to develop 'policy boxes'? Is it possible to coordinate policies when the parties want flexibility?

3. Administrative capacity. The emphasis on coordination arises from the need to manage an array of policy instruments at different tiers of government. This links to the need for sufficient quality of government to engage with increasingly complex, often competitive modes of implementation involving deals, contract and other arrangements. Is there a risk that the weakest regions are those least likely to be able to bid for such opportunities, reinforcing rather than addressing existing disparities?

4. Perception versus reality. Is it possible to meet citizens' expectations of territorial impact of policy? Are there the tools measure the softer and more holistic needs of lived experience and the things that matter to people most. Well-being is increasingly high on the agenda, but how well can it be measured and how and how well can policy improve it, and could that improvement be measured?

5. State aid. An 'interesting and touchy' subject. Historically has been contentious, but this has receded over the last decade or so as the vast majority of measures have fallen within the State aid block exemption arrangements. There is an inherent tension in State aid control insofar as it needs to have an incentive effect to alter behaviour, but not alter it so much that it distorts competition. Climate change presents a new challenge with perceptions that the State aid rules prevent the use of instruments that are sufficient to change behaviour. Does the urgency of the climate agenda call for a new balance between incentive effect and competition distortion? How can it adapt?

6. Regional policy has become political. This is not entirely new - in the 1980s especially there are examples of emergency responses to crisis situations designed to forestall social unrest. What is new is a widespread concern at the notion of regions 'left behind' at least partly reflected in voting patterns for populist parties or causes. The challenge is whether and how policy can deliver the change that citizens want against the backdrop of fragile public trust in political elites and institutions. A emerging issue is the climate change action being driven by younger people, whose trust in the capacity for government to effect change will be further damaged without decisive policy action. Can that energy be harnessed? Is greater citizen participation in policy design a route to regaining that trust and better meeting the expectations of citizens?

7. The future is unknown. 40 years ago the focus of regional policy was very different in most countries. In western Europe it focused on areas of industrial decline; demographic change was mainly an issue in the Nordic countries, now it is an issue everywhere. 15 years ago no-one predicted a financial and economic crisis on the scale seen in 2007 and its aftermath, or its regional impact. Even 5 years ago no-one foresaw the geopolitical shifts resulting from the election of the Trump administration and the emergence of an increasingly protectionist United States or its potential spatial ramifications. There are new and emerging technologies like artificial intelligence, the impact of which is as yet unknown. There are many things we cannot predict, and we know still less about how they will play out on the ground and what future challenges and what future challenges they will present to regional policymakers.