

## **EU regional policy stakeholders debate global economic challenges**

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Regional policy responses to the challenges of globalisation, climate change and population ageing were debated at the closing session of the European Week of Regions and Cities Open Days 2007, on 11 October. Speakers included Nobel Prize winner A. Michael Spence, EP President Hans-Gert Pöttering, Portuguese State Secretary for Regional Development Rui Nuno Baleiras, Regional Policy Commissioner Danuta Hübner and Committee of the Regions President Michel Delebarre.

The OPEN DAYS 2007 event, organised by the Committee of the Regions and the European Commission, brought together nearly 5,000 participants from a record 212 regions and cities in 33 European countries. It showcased EU regional policy programmes that will make about euros 500 billion in private and public funding between 2007 and 2013. Its closing session was chaired by EP Regional Development Committee Chairman Gerardo Galeote (EPP-ED, ES).

EU regional policy and global competitiveness

The free movement of goods, people, capital and services is vital to boosting competitiveness within Europe and worldwide, said Professor A. Michael Spence, winner of the 2001 Nobel Prize for economics. But whilst the migration of people and jobs across Europe is necessary for its growth and integration into the global economy, it does lead to inequalities that governments and international bodies must manage.

Regional policy can help, by building equality of opportunity through transfers of resources and governance know-how to less well-off regions. "People accept that some inequality of outcomes will exist, provided that there is reasonable equality of opportunity", he said.

Infrastructure investment or unmanageable migration?

"Public investment in infrastructure increases both the return on private investment and job creation", he continued, adding that regional investments are also needed to boost local economic productivity, failing which migration could become unmanageable, and urbanization excessively rapid.

Climate change

"Global warming is a major challenge to global governance" said Professor Spence, adding that from the point of view of greenhouse gas mitigation in the next 25 years, the key players are the EU, North America, Japan, China and Russia.

Population ageing

Provided pension systems are "lined up with reality", population ageing "need not impair growth", he said, adding that in his view advocating migration is a "bad solution" to this problem.

Knowledge is a global public good

"Governance really matters" said Professor Spence, noting that investing in education as a driver for growth "makes sense in Europe" and adding that EU know-how in the fields of governance, incentives and conditionality could prove useful in India and China.

Solidarity

European Parliament President Hans-Gert Pöttering stressed the need for EU-wide solidarity - "funding is one thing, but what is decisive is what people do with it", he said. Regional policy funding must be as well spent in newer Member States as it had been in Spain and Portugal, even if this entailed admitting that

some regions do not need so much money now as they did in the past, he said. Mr Galeote later replied that Spain had been among the most enthusiastic advocates of EU enlargement.

Mr Pöttering also noted the need for solidarity in other fields, e.g. with Poland on energy policy, and stressed that the fate of solidarity depends on all Member States signing up to the Reform Treaty, which would make the EP a full partner in framing co-decision legislation with the Council.

#### Partnership

Cohesion policy tasks must be shared across national, regional and local levels, said Regional Policy Commissioner Danuta Hübner, because economic success requires co-operation and regional development strategies cannot be defined in capitals alone. Global change is accelerating, and regions and cities should seek a niche in world markets, rather than wait until globalisation "knocks on the door". Partnerships should cut across traditional boundaries to build a growing web of networks and clusters that mobilise unexploited potential, she said.

The shift in regional policy focus from building infrastructure to building competitiveness was also noted earlier in the debate by Portugal's Secretary of State Rui Nuno Baleiras, representing the Council of Ministers, who stressed the need for local and regional authorities not only to attract firms, but to service them faster and more efficiently, so as to reduce their operating costs.

#### States need to engage with regions

"Just because there is a strong relationship between the EU and its regions, that does not exonerate Member States from engaging properly with the regions - we all have to pull together in the same direction", said Committee of the Regions President Michel Delebarre, who on 8 October had noted that "local and regional authorities are getting a little impatient at the inaction of their public partners, particularly national authorities who have yet to get them involved in the implementation of the Lisbon Strategy" for growth and jobs.

Earlier in the closing session debate, Mr Delebarre identified three priorities for regions and cities: the need to create jobs, attract more resources, and build better infrastructure to attract investment. He also called for regional policy to be mainstreamed into other EU policies, and said he wanted to see the next OPEN DAYS (6-9 October 2009) widen its remit to cover energy and healthcare.

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