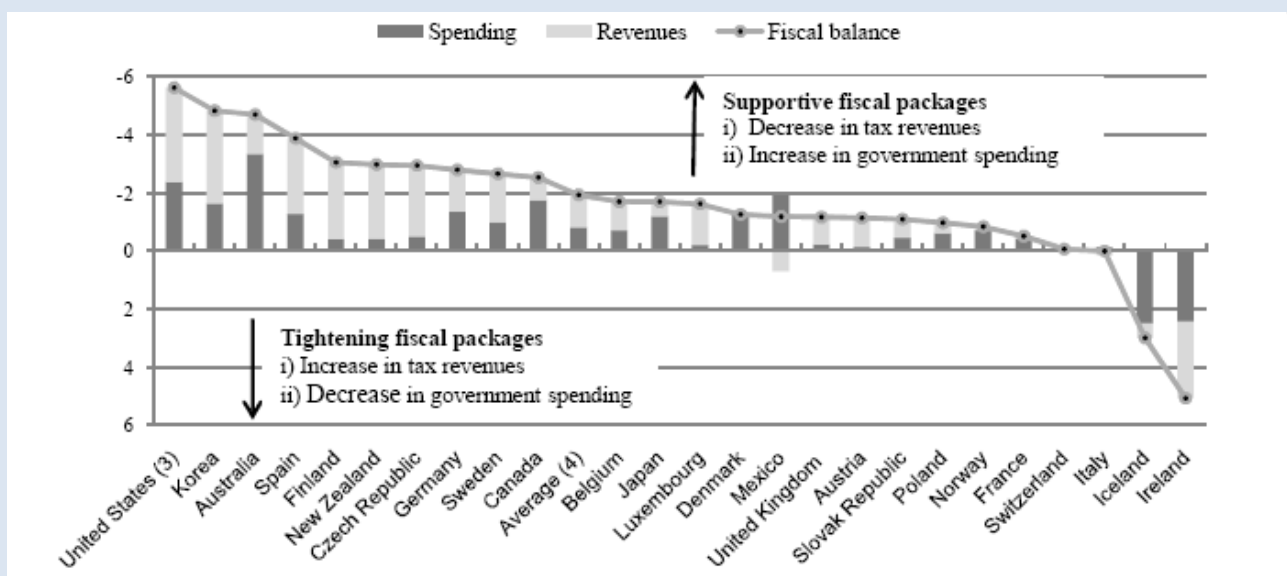


SESSION I: REGIONS, NATIONAL OBJECTIVES AND GLOBAL CHALLENGES

Key issues

What is the role of regional policies in dealing with the economic crisis?

Size and composition of fiscal packages in OECD countries
(% of 2008 GDP)



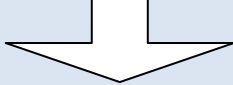
Source: First Interim Report on the OECD's Strategic Response to the Financial and Economic Crisis, Note by the Secretary-General, C(2009)26


Regional policy has a key role to play in overcoming the crisis because:

- ☞ It accelerates the implementation of public investment
- ☞ It mobilises local competitive advantages
- ☞ It provides clear roadmaps based on agreed priorities
- ☞ It brings differentiated tools to address the challenges of regions and communities in need

What policy lessons can be drawn from past and current regional policies in promoting growth?

Regional policy has been changing



	Old paradigm	 New paradigm
Objectives	Compensating temporarily for location disadvantages of lagging regions	Tapping underutilised potential in all regions for enhancing regional competitiveness
Unit of intervention	Administrative units	Functional economic areas
Strategies	Sectoral approach	Integrated development projects
Tools	Subsidies and state aids	Mix of soft and hard capital (capital stock, labour market, business environment, social capital and networks)
Actors	Central government	Different levels of government

How can regional policy make a more significant contribution to addressing long-term global challenges, including global efforts to deal with climate change?

Regional policy is key to meeting national targets in energy efficiency and greenhouse gas emission and for the successful implementation of mitigation/adaptation actions:

- ✎ The contribution to climate change and the impact of global warming are uneven across regions.
- ✎ Subnational governments have primary authority over many environment-related policy areas (e.g., public transport, water and waste management, land use).
- ✎ Both urban and rural regions have the potential to create major employment opportunities in activities related with sustainable development (e.g., alternative energy, clean tech R&D, green building, etc.).