



REGIONAL DEVELOPMENT STRATEGIES IN OECD COUNTRIES

Trends and Tools

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OECD Seminar:
Supporting Decentralisation and Deconcentration in Ukraine
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Introduction

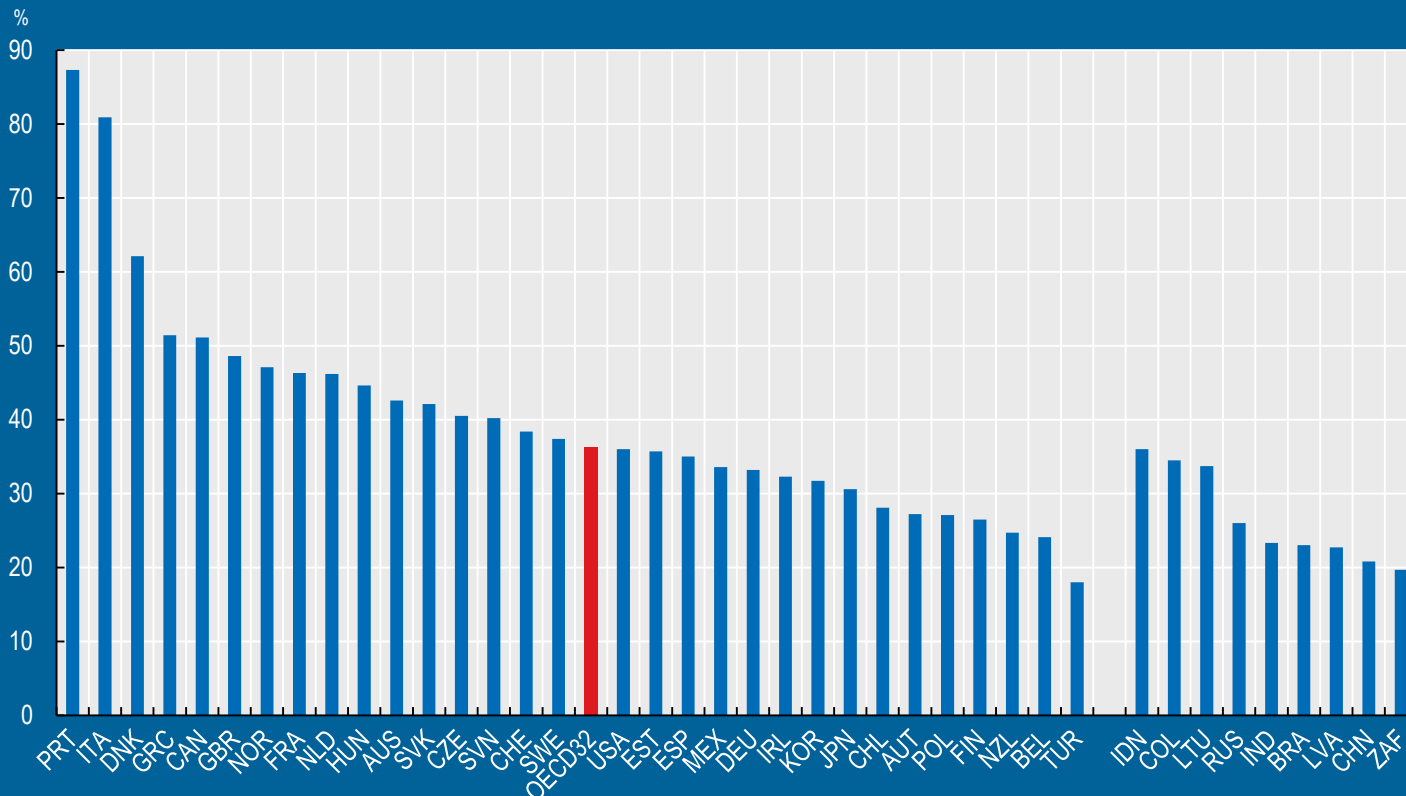
- What's happening in OECD regions?
- Regional development objectives
- Trends in regional development
- Governance tools
- Conclusions



What's happening in OECD regions?: Growth and Disparities

- Growth is concentrated in a few leading regions

Regional concentration of GDP growth among top 20% regions with highest GDP growth rates (2000-2013)

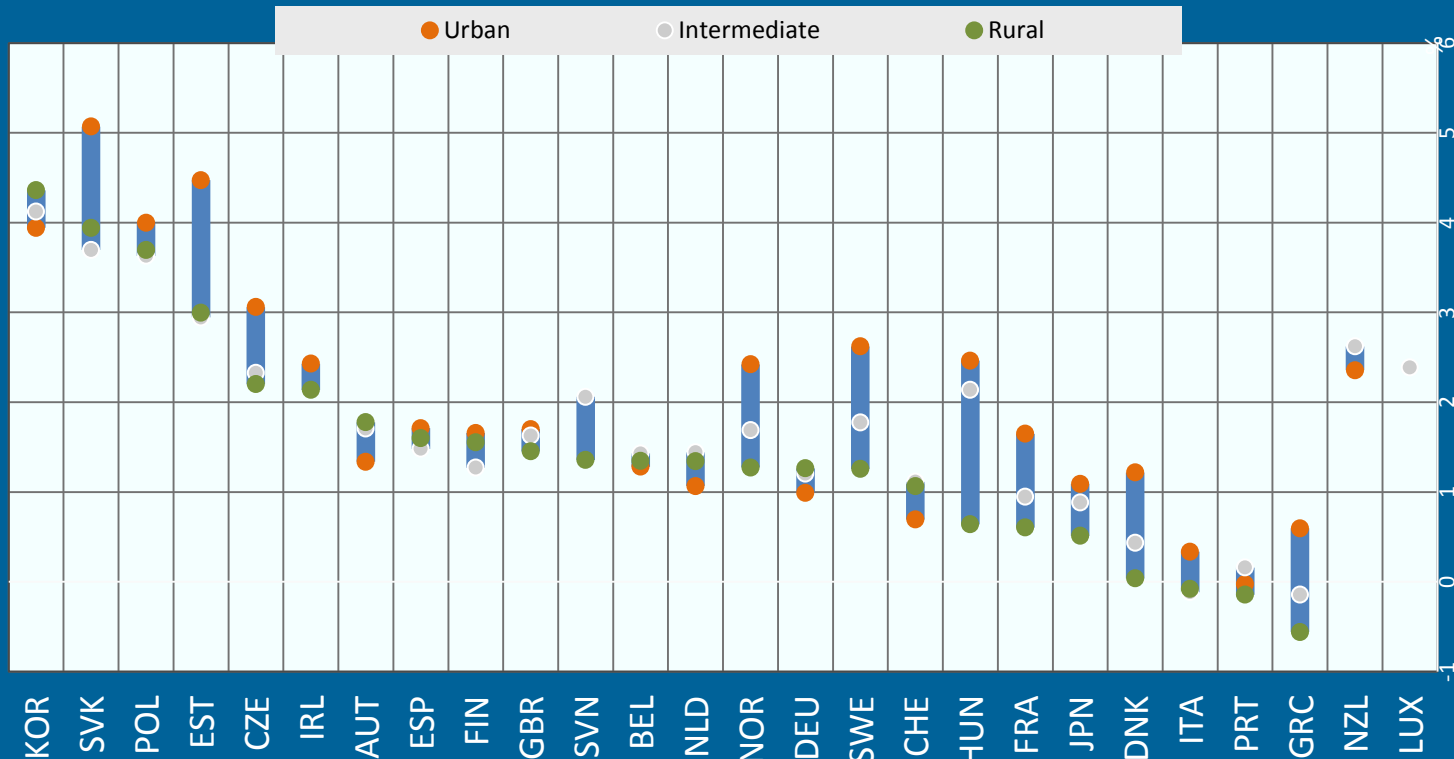




What's happening in OECD regions?: Growth and Disparities

- Growth is not always strongest in urban regions

GDP annual growth rate by type of TL3 regions, 2000-13

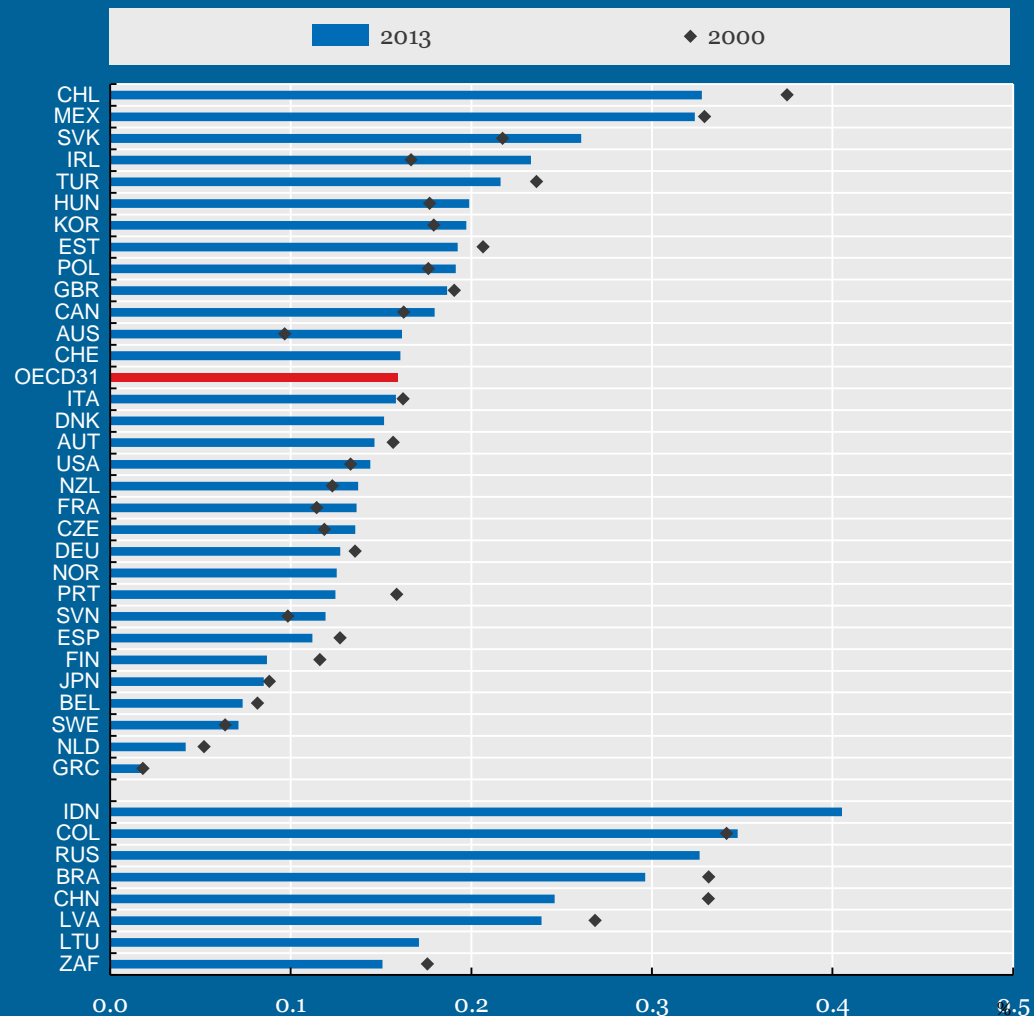




What's happening in OECD regions?: Growth and Disparities

- No general pattern to changes in inequalities

*Gini index of
inequality of GDP
per capita across
TL3 regions, 2000
and 2013*

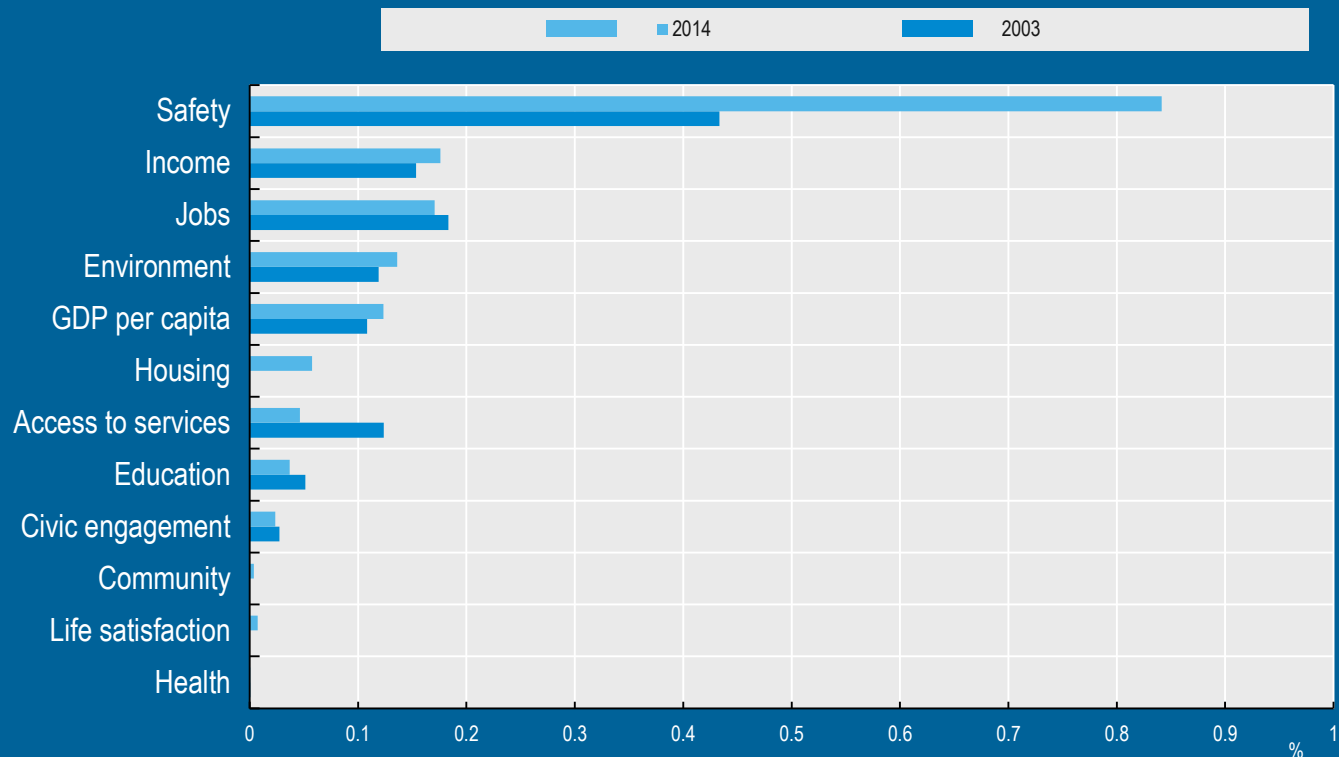




What's happening in OECD regions?: Well-being dimensions

- Well-being is not uniform across regions

Disparities in well-being dimensions among TL2 regions in all OECD countries, 2003 and 2014. Theil index

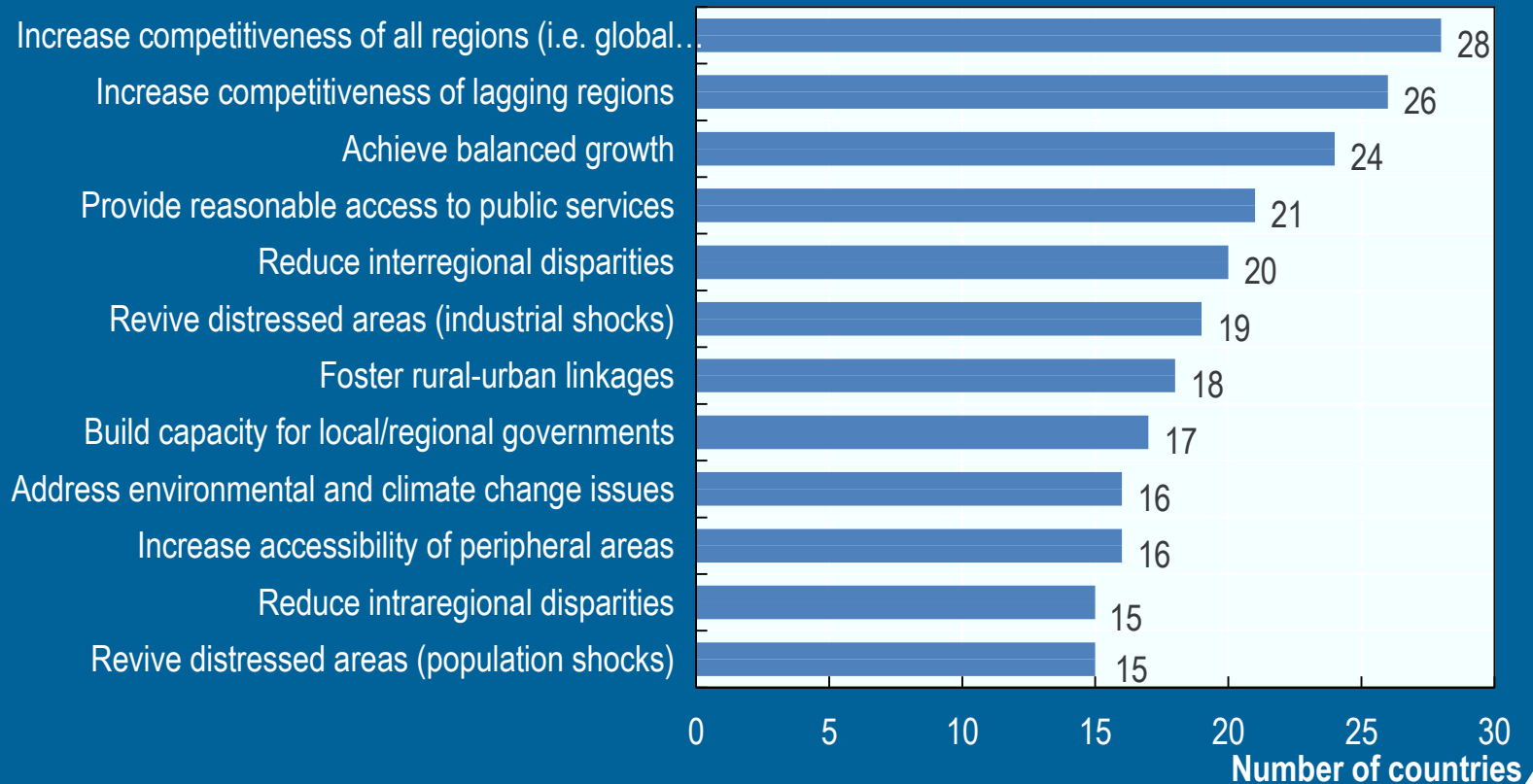




Regional development in OECD countries: Country objectives

- Competitiveness, Growth and Inclusiveness

*Regional development policy:
Countries rating objectives as high priority*





Regional development in OECD countries: Country trends

- Focus on competitiveness and productivity drivers
 - Business development
 - Fostering innovation
 - Promote investment rather than subsidies
- Reduce inter-regional inequalities
 - Support lagging regions



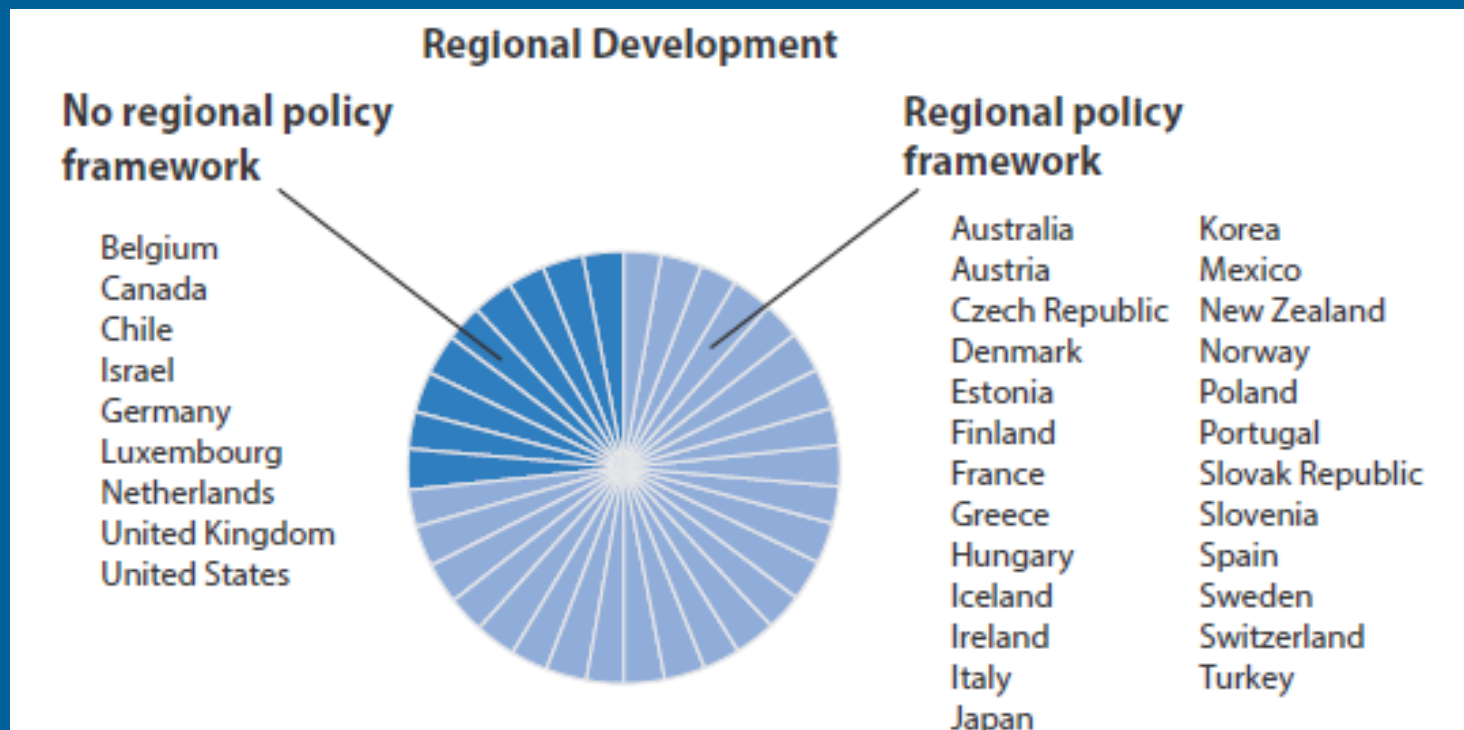
Regional development in OECD Countries: Country trends

- Promote urban-rural linkages
 - Support integrated development policies between urban and rural areas
 - Recognition of complementarities
 - Definition or redefinition of rural-urban systems
- Strengthen subnational governance and capacity
 - Support resource availability and capability
 - Fiscal/financial capital, human resources, infrastructure
 - Promote greater vertical and horizontal coordination
 - Consider metropolitan governance arrangements where appropriate



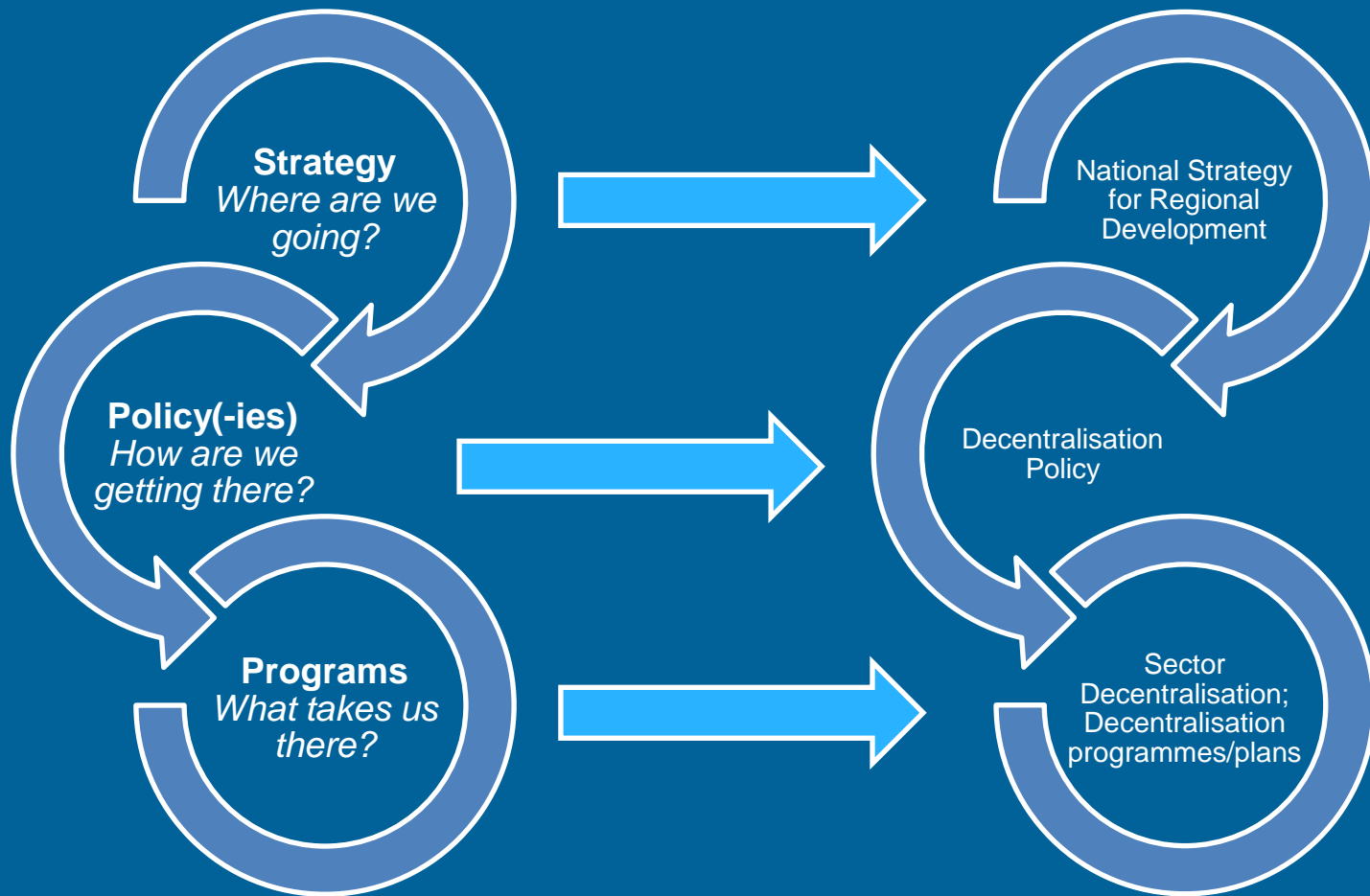
Regional development in OECD countries: Governance tools

- Framework policies are common, especially in Europe





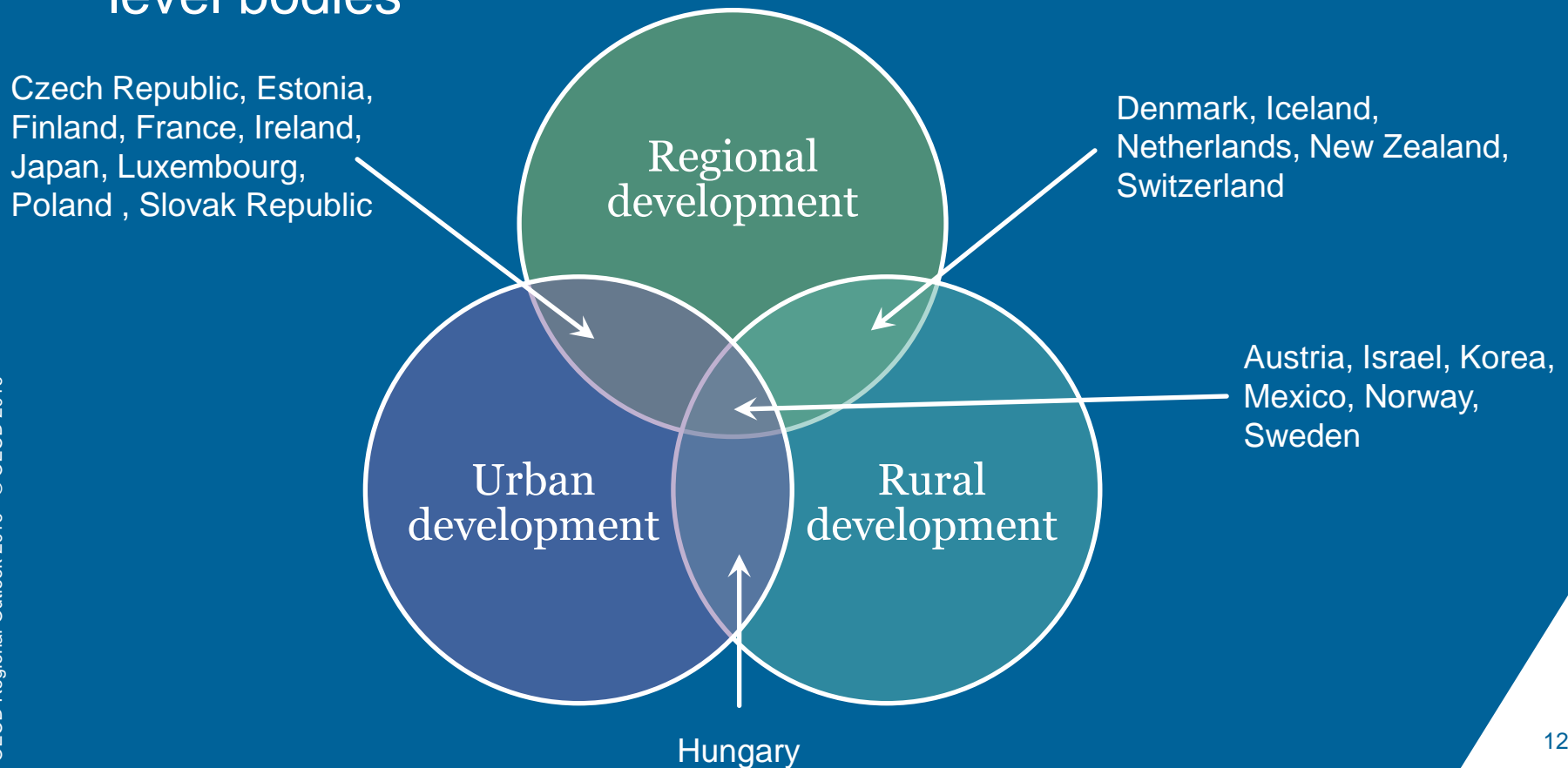
Regional Development in OECD Countries: Governance tools





Regional development in OECD countries: Governance tools

- Responsibility for regional, urban and rural development policy is most often split among ministries or national level bodies





Regional development in OECD countries: Governance tools

- Regional Development Agencies
 - Accountable to central or regional government, or to a public-private board
 - In the OECD most are regionally managed
 - Objectives range from
 - Administering a range of sector programmes and building complementarities
 - to
 - Sector specialisation (e.g. business development and innovation)
 - Funding varies
 - 40% of surveyed RDAs have multi-level funding (in Europe).

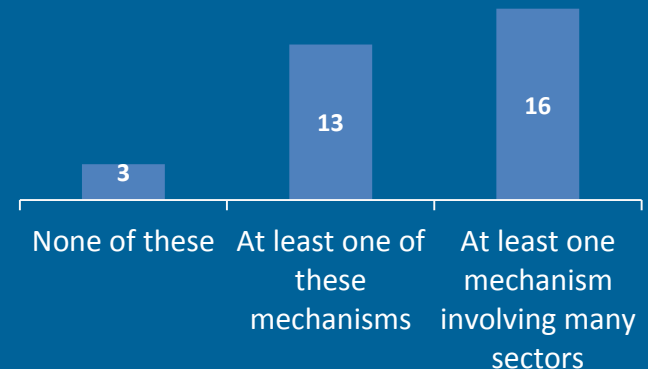


Regional development in OECD countries: Governance tools

Vertical co-ordination instruments to support regional investments

The country has a mechanisms to ensure co-ordination across levels of governments: RDAs, national representatives appointed in SNGs, and contracts or agreements

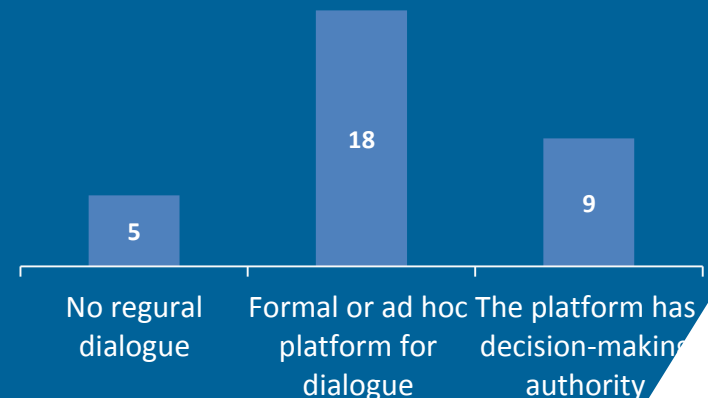
- None of these
- At least one of these mechanisms
- At least one of these mechanisms involving several sectors



Multi-level dialogue to define investment priorities for regional development

The country conducts regular dialogue(s) between national and sub-national levels on regional development policy including investment priorities

- No platform to conduct regular dialogue
- Formal or ad hoc platforms to dialogue on regional development and investment priorities
- The platform for dialogue has decision-making authority





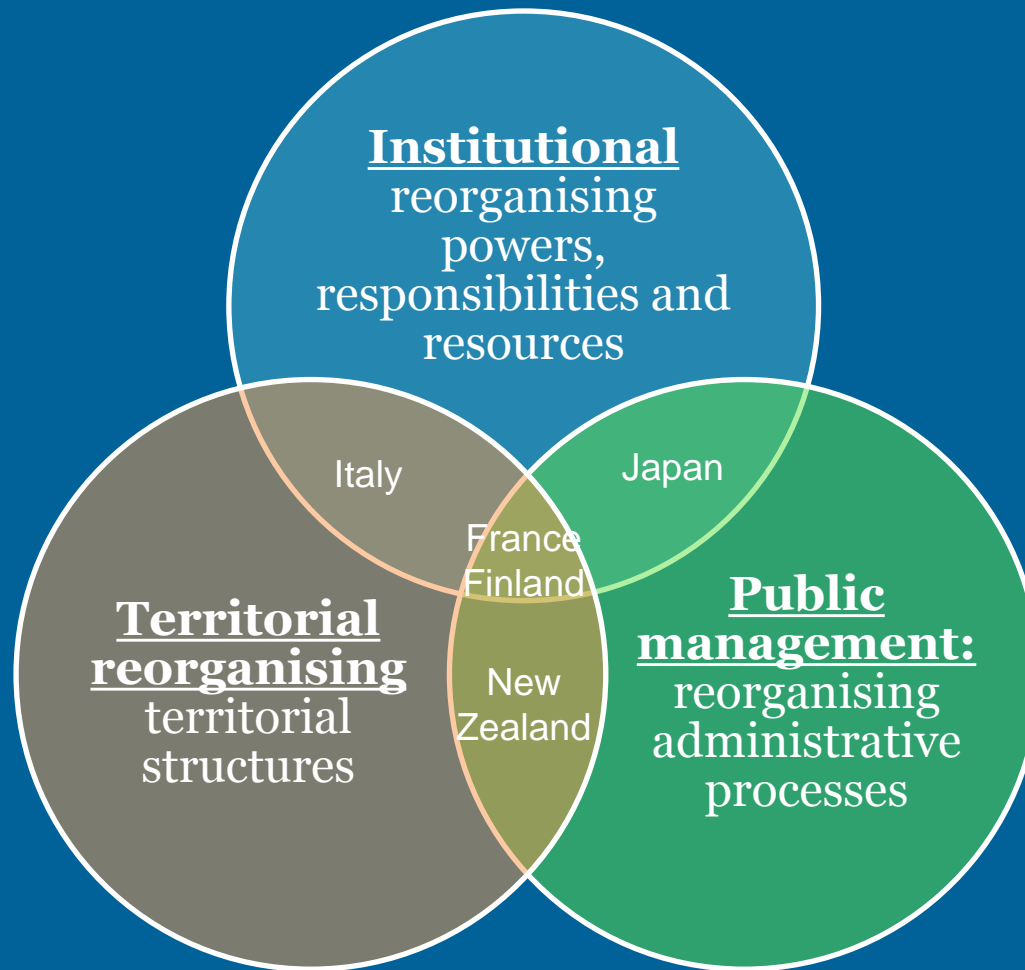
Regional development in OECD countries: Governance tools

- Deconcentration
 - Trend toward delegating more powers and/or strengthening institutional capacity
- Reforming sub-national levels
 - Boundaries based on functional areas
 - Number of subnational tiers and/or administrative areas
 - Competence attribution



Regional development in OECD countries: Governance tools

- Multi-level governance reform in three dimensions





Regional development in OECD countries: Conclusions with respect to Ukraine

- Significantly “on trend” with OECD countries
 - Focus on competitiveness, inclusiveness and well-being
 - National level strategic framework and policy cascade
 - Addressing administrative boundaries and levels
 - Discussion regarding number of rayon
 - Hospital districts
 - Building sub-national capacity with decentralisation tools
 - Newly amalgamated communities and inter-municipal cooperation
 - Fiscal decentralisation for greater resource capacity
 - Supporting urban-rural linkages
 - Strengthening potential of rural and possibly lagging areas
 - Resulting in expected greater:
 - Competitiveness and well-being in communities
 - Investment in service and infrastructure



Thank you