

# REGIONAL POLICY FORUM

## "GLOBAL CRISIS, REGIONAL RESPONSES"

30 March 2009, OECD Conference Centre, Paris

Preceding the Ministerial, the Regional Policy Forum "*Global Crisis, Regional Responses*" will open the floor to a diversity of key actors in the field of regional policy (e.g., subnational governments, business and financial sectors, education and research community, NGOs, etc.) and allow broader communication on the work conducted by the TDPC Working Parties. The Forum is organised into four roundtables, focusing respectively on the urban dimension, the rural dimension, the governance dimension, and the use of indicators in regional policy.

Monday 30 March 2009	
8:00	Registration
8:45-9:00	Welcoming Statement by Ms. Mari Kiviniemi, Minister of Public Administration & Local Government, Finland
9:00-10:30	<p style="text-align: center;">ROUNDTABLE 1</p> <p style="text-align: center;"><u>"Greening" Cities: An Option for Recovery?</u></p> <p>What role can the green economy play in helping cities and their inhabitants recover from the financial and economic crisis? On the one hand, the development of green infrastructure has the potential to strengthen competitiveness at a global level and create new "green collar" jobs. Investment in renewable energy technologies and the renewal of infrastructure that may be vulnerable to climate change could serve as the backbone to a new deal for public investment. It would also contribute to carbon reduction given that cities are still responsible for about two-thirds of total world CO<sub>2</sub> emissions and energy consumption. Conversely, a tight credit market has raised the cost of day-to-day operations and limited the range of projects that governments can realistically pursue, which threatens to curb the environmental progress made by select "green cities". Consequently, many needed infrastructure extensions have been postponed and others have been eliminated altogether. At a moment when momentum has been building for cities to "go green", it is unclear how their governments can attain the necessary funds to engage more actively in climate change adaptation and mitigation projects. In the wake of falling real estate values and constricting tax revenues, the economic crisis has signalled the end of an era of cheap money to fund environmental projects and the beginning of an era of tough choices. Faced with this situation, elected officials — and their appointed economic developers — feel tremendous pressure to do something to turn things around. But what and how?</p>

	<p><b><u>Questions for discussion:</u></b></p> <ul style="list-style-type: none"> <li>• At a time of crisis, to what extent should local government officials promote the green economy? How would its growth affect employment and social welfare differently than more traditional sectors?</li> <li>• How can environmental issues be framed to give them policy traction in relation to current social and economic concerns?</li> <li>• What innovative strategies could promote public-private partnerships for sustainable urban development?</li> <li>• What should be the role of central governments in assisting cities during this crisis?</li> </ul>
10:30-11:00	<b>Coffee Break</b>
11:00-12:30	<p style="text-align: center;">ROUNDTABLE 2</p> <p style="text-align: center;"><b><u>From Euphoria to A Cold Shower? Rural Realities</u></b></p> <p>Last year, rural areas largely escaped the direct impacts of the global financial crisis, but they are now highly exposed to the current economic recession. Rural areas may face a larger and more painful adjustment than cities. This reflects the drop-off of the recent commodity boom and an extremely rapid collapse in demand for most of the goods produced in rural areas. Policymakers now have to deal with two linked issues. The first is providing short term relief during the cyclical downturn. The second is a focus on developing policies to facilitate a new growth path for rural areas once the recovery begins. The next rural economy is likely to differ significantly from that seen last year. While commodity prices will recover they are unlikely to approach past peaks. There will be a greater concern with sustainability, demographic change will alter the labour force, governments will have far less capacity to provide support, and a new set of businesses will have to be created to replace those lost during the recession. Governments are responding to this crisis in a number of ways and the aim of this session is to showcase a number of innovative approaches and provide a forum for discussion.</p> <p><b><u>Questions for discussion:</u></b></p> <ul style="list-style-type: none"> <li>• Will job losses be fully reversed when recovery occurs, or should we expect a new lower level of rural employment?</li> <li>• Are rural areas experiencing an inflow of former migrants, is the rural population expected to remain stable, or will the recession lead to outflows to urban areas?</li> <li>• Are there opportunities for future growth in rural regions that could be put in place by new investments now?</li> <li>• What specific policies/strategies are being used to offset lost employment? Is there a specific rural component – why or why not?</li> </ul>
12:30-14:00	<b>Lunch</b>

14:00-15:30	<p style="text-align: center;">ROUNDTABLE 3  <b><u>Investment-Based Strategies: What Role for Central and Subnational Authorities?</u></b></p> <p>A large number of OECD and non-OECD countries as well as supra national authorities have announced public investment plans for addressing the consequences of the crisis. Until now, sub national governments have been responsible for 70% of public investment in OECD countries. However, these authorities will be affected by the current crisis. On the one hand, the financial crisis will increase funding costs and make access to liquidity and assets value more uncertain. On the other hand, the economic crisis will both increase expenditure (<i>e.g.</i>, welfare) and decrease revenue (by decreasing tax potential). In such a context, subnational investments may be considered as an adjustment variable for limiting public deficit, or be used as a complementary tool to fight the consequences of the crisis. Key questions remain concerning the implementation of national investment plans.</p> <p><b><u>Questions for discussion:</u></b></p> <ul style="list-style-type: none"> <li>• Will national plans be articulated at the regional level? And if so, will initial regional strategies for investment be implemented in an accelerated way?</li> <li>• Will central governments base their investment strategies on the specific needs of subnational authorities?</li> <li>• Will central governments insure the solvability of subnational authorities for facilitating their access to credit?</li> </ul>
15:30-16:00	<b>Coffee Break</b>
16:00-17:30	<p style="text-align: center;">ROUNDTABLE 4  <b><u>Building Knowledge for Better Regional Policy</u></b></p> <p>Major new public investments – for infrastructure, job creation, innovation and the environment – will be central to government efforts to build a rapid and lasting recovery of the world economy. This moment of crisis, therefore, offers a unique opportunity to improve public services and infrastructure. Though launched nationally, much of this investment will take place on the regional level. The extent to which regions will be able to seize this opportunity by focusing public and private investment on their comparative advantage, will be crucial to maximizing impact. In the context of an economic recession, when short-term concerns may prevail over long-term strategic investments, regions need sound analysis to guide their choices. Central to meeting these challenges is the availability and proper analysis of information. The better we are able to collect, assess and share information, regarding both past and present, the greater the opportunity we have to make the best future choices for investing public money, implementing public works and programs, and encouraging private enterprise.</p> <p><b><u>Questions for discussion:</u></b></p> <ul style="list-style-type: none"> <li>• How can regional policy make the best use of statistical information to target investment and create reliable benchmarks?</li> <li>• How can statistical information help regional governments and citizens to monitor the implementation of public investments and evaluate their impacts to inform public policy?</li> <li>• How can statistics serve the need for rapid answers by creating synergies with community surveys?</li> </ul>

	<ul style="list-style-type: none"> <li>• What is the role of statistical information in increasing awareness and support for public policies?</li> <li>• Why are citizen preferences a key component to acquiring the best information to serve the public interest?</li> <li>• How are citizen preference and local knowledge factored into the assessment of current and future needs?</li> </ul>
17:30-18:00	<b>Closing Remarks by Mark Drabenstott, TDPC Chair</b>
18:00-22:00	<b>Cocktail &amp; Dinner for participants of Ministerial meeting</b>