

Place-based policies for the future: **Workshop #2**

## When should place-based policies be used and how should they be articulated?

12 May 2023 | Paris



# Place-based policies for the future

## Workshop 2

### When should place-based policies be used, and how should they be articulated vis-à-vis other policymaking frameworks, notably fiscal equalisation policies and sectoral investment policies?

#### ■ Background

Many sectoral investment policies do not change from region to region. Labour market support for upskilling, for example, might depend on the characteristics of a worker, such as his or her job or income level, but they are often independent from where a worker lives within a country. Yet, even seemingly “place-blind” policies may be spatially neutral in design but not in impact. A classic example is SME support or innovation policies that are set uniformly at national level but do not take account of the local availability of SME finance or the public support ecosystem. The place-blind approach of sectoral investment policies limits their potential to address severe differences in economic outcomes across regions, and means they are not optimal for specific regional contexts.

Place-based policies are an important complement to these policies. Not only do place-based policies serve directly as a policy instrument (e.g., infrastructure provision, service delivery, social inclusion, smart specialisation), they can also provide the degree of regional specificity to sectoral policy that is needed to fully utilise the potential of all regions, leverage complementarities and manage trade-offs. Place-based policies can also balance local interests when national and supra-national policies, for example the just transition, create outcome disparities across areas. To improve policy coherence and efficiency, it is critical to better understand the role and contribution of place-based policies within the broader policymaking framework, and the mechanisms needed to better articulate them.

There is an increasing consensus that administrative and institutional capacity, as well as more broadly the quality of governance, are key determinants of the effectiveness of public investment. Well-functioning regulatory frameworks, efficient markets and macro-economic stability are equally a precondition for successful public investments. A key issue is therefore to understand how place-based policies can be best articulated with structural policies and reform efforts at national level.

It is also important to better understand the relationships between place-based policies and fiscal equalization. While place-based policy seeks to reduce inequalities across places and people by leveraging on the potential of each region, fiscal equalisation systems are primarily designed to address differences in revenue raising capacities and spending needs across subnational governments, helping subnational governments to finance the public services that have been assigned to them. But, while they differ in their primary goals, place-based and fiscal equalisation policies are inherently intertwined and too often, the synergies between them are not sufficiently leveraged on to improve regional development.

#### ■ Key topics

The first seminar of the series will address key framing questions, such as:

- Which problems could be better addressed by place-based policies versus sectoral investment policies? What trade-offs come with adopting place-based policies (e.g., administrative complexity, coordination requirements, implementation risk, etc.)?
- How can we reconcile place-based policies with sectoral investment policies at large? What types of mechanisms are used to articulate them? What is/should be the role of the centre of government to facilitate this co-ordination?
- How can place-based policies be successfully coordinated with policies aimed at improving regulatory environment and reforms at national level?
- How can fiscal equalisation and regional development policies be better aligned so that policymakers can both secure sustainable public finances and reduce territorial inequalities?

## ■ Venue

Room E, OECD Headquarters, Paris

The OECD Headquarters are situated at 2 rue André Pascal, 752016 Paris. The following link provides various transport options: <https://www.oecd.org/site/conferencecentre/gettingtotheoecd.htm>

Security arrangements are tight around the OECD complex. Participants will need to be registered for the meeting to obtain access to the conference centre (security badge). There is a security check outside the Conference Centre where participants must show a QR pass and will be given a badge (sent out by email to registered participants and can be in either printed form or on a smart phone). **Participants will also need to show some form of ID.**

# Agenda

[Central European Time]

12 May 2023

9.00-9.30

Welcome

9.30-9.50

Opening remarks

**Lamia Kamal-Chaoui**, Director, Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD

**Peter Berkowitz**, Director for Policy, Directorate-General for Regional and Urban Policy, European Commission

9.50-11.00

What link between place-based policy and fiscal equalisation?

MODERATOR

**Dorothee Allain-Dupré**, Head of Regional Development and Multi-Level Governance Division, CFE, OECD

9.50-10.20

SCENE SETTER

**Albert Solé Ollé**, Professor of Economics, University of Barcelona

10.20-11.00

REACTIONS AND CONTRIBUTIONS

**Tracy Gordon**, Vice President of Tax Policy and Codirector; Acting Robert C. Pozen Director, Tax Policy; Urban-Brookings Tax Policy Center

**Jørn Rattsø**, Professor of Economics, Norwegian University of Science and Technology

**Willem Sas**, Assistant Professor, Economics Division, University of Stirling

**Geert de Joode**, Fiscal Federalism Co-ordinator, Ministry of Interior and Kingdom Relations, the Netherlands

**Therese Maher**, Assistant Secretary, Commonwealth Grants Commission, Australia (Virtual)

11.00-11.30

Coffee break

11.30-12.50

Open discussion with participants

13.00-14.30

Lunch break, Restaurant de Nations (OECD headquarters)

14:30-15.40

When should place-based be used and at what scale?

MODERATOR

**Rudiger Ahrend**, Head of Economic Analysis, Data and Statistics Division, CFE, OECD

14.30-15.00

SCENE SETTER

**Anne Green**, Professor of Regional Economic Development, University of Birmingham

15.00-15.40

REACTIONS AND ADDITIONAL CONTRIBUTIONS

**Sebastien Bourdin**, Professor in Economic Geography, EM Normandie

**Antonella Ferrara**, Senior Assistant Professor in Applied Economics, University of Calabria

**Joaquim Oliveira Martins**, Special Advisor, EU Commissioner for Cohesion and Reforms

**Andrea Martens**, Senior Economist, Policy and Strategy Division, Economics Department, European Investment Bank

15.40-16.10

Coffee break

16.10-17.30

Open discussion with participants

17.30-17.45

Summary and closing remarks

**Nadim Ahmad**, Deputy Director, CFE, OECD

**Peter Berkowitz**, Director for Policy, Directorate General for Regional and Urban Policy, European Commission

## ■ About the workshops

This workshop is in a series of six EC-OECD workshops on “Place-Based Policies for the Future”.

The six workshops consider place-based policies from the following angles: how place-based policies have evolved; the articulation of place-based policies against other policymaking frameworks; how place-based policies can address current and future societal problems; policy design, measurement and evaluation; governance and coordination; and, what place-based policies are needed for the future.

The workshops will result in a series of papers and a summary report on future directions for place-based policies. This work will ultimately be relevant for policymakers at all levels of government who are interested in improving the design and implementation of place-based policies to contribute to equitable and sustainable economic futures.

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.

[oecd.org/CFE](https://oecd.org/CFE)

### CONTACTS

Courtenay Wheeler | [Courtenay.Wheeler@oecd.org](mailto:Courtenay.Wheeler@oecd.org)  
Michael Flood | [Michael.Flood@oecd.org](mailto:Michael.Flood@oecd.org)

