



# Regional Policy in Portugal: Achievements and Challenges

EoRPA 40<sup>th</sup> ANNIVERSARY CONFERENCE

WHAT ROLE FOR REGIONAL POLICIES IN AN UNEQUAL  
EUROPE?

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Vice-President

Brussels, 9<sup>th</sup> October 2019



## Structure of presentation:

### Achievements:

- Objectives
- Geographies
- Governance

### Challenges

# Objectives



## Main objective of Regional Policy in Portugal:

### Development of all territories and Reduction in regional disparities



A brief history of the last 40 years

80's to  
middle  
90's

- Local infrastructure
- Managing relevant industrial declining zones (OID)
- Professional training
- First approach to state aids schemes to improve territorial competitiveness (SIR)

Middle 90's  
to middle  
2000

- Improving economic competitiveness of all Portuguese regions and shifting the productive profile of the Portuguese economy;
- Professional training;
- Improving accessibility (transport infrastructures) and other public infrastructures (hospitals, universities, power plants, water and wastes, etc.)
- Urban Focus – Social inclusion (Urban), Medium-size cities (PROSUIRB) and major urban renewal interventions in main centres (POLIS);
- First attempts on promotion of endogenous development in rural areas (PPDR, AIBT and RDA)

## Main objective of Regional Policy in Portugal:

### Development of all territories and Reduction in regional disparities



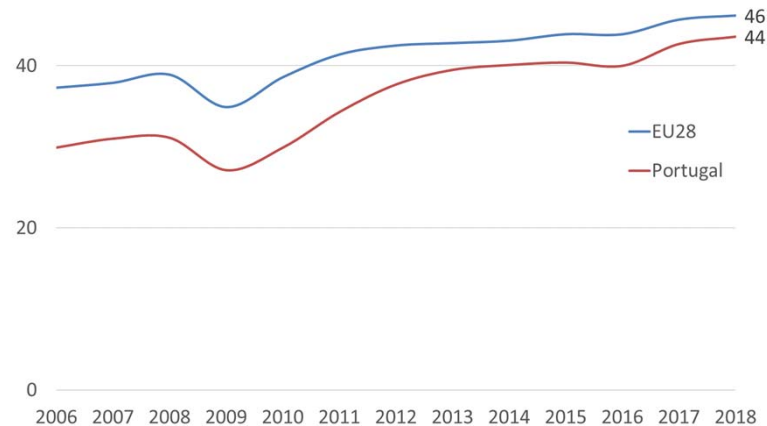
A brief history of the last 40 years

Middle  
2000  
onwards

- More integrated support to national and regional innovation systems (clusters and RIS3);
- Quality, efficiency and effectiveness of public services in a network approach – the intermunicipal approach (ITI - urban/rural linkage) within a decentralization trend;
- Low carbon strategies (strong focus on sustainable urban mobility);
- The promotion of employability (the more integrated approach between education and professional training);
- Social inclusion local interventions (e.g. CLDS, TEIP and Urban CLLD);
- Urban Focus – Urban renewal (PRU and AIDUS/SUD) and a territorial model for Portugal (PNPOT)
- The promotion of endogenous development in low densities areas through Integrated public and privates investment strategy (PROVERE and LEADER/CLLD);
- More recently a strong focus on the quality of services and employment opportunities in interior.

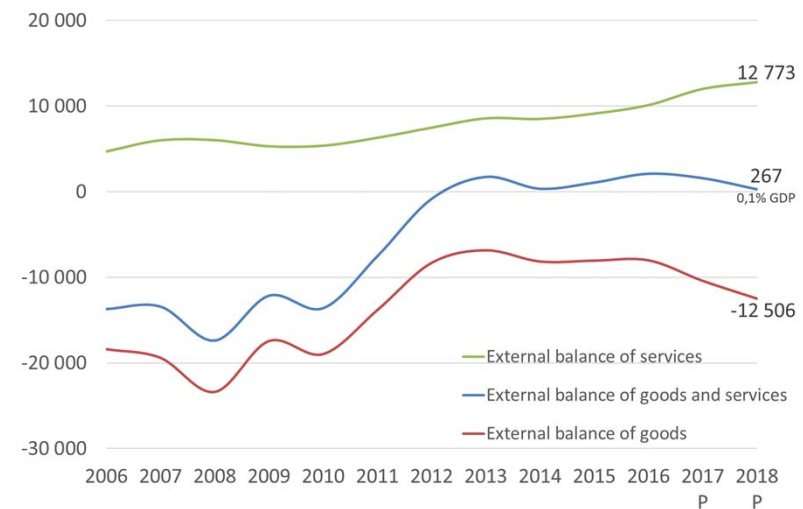
## Some remarkable results

### The Portuguese economy specialization pattern



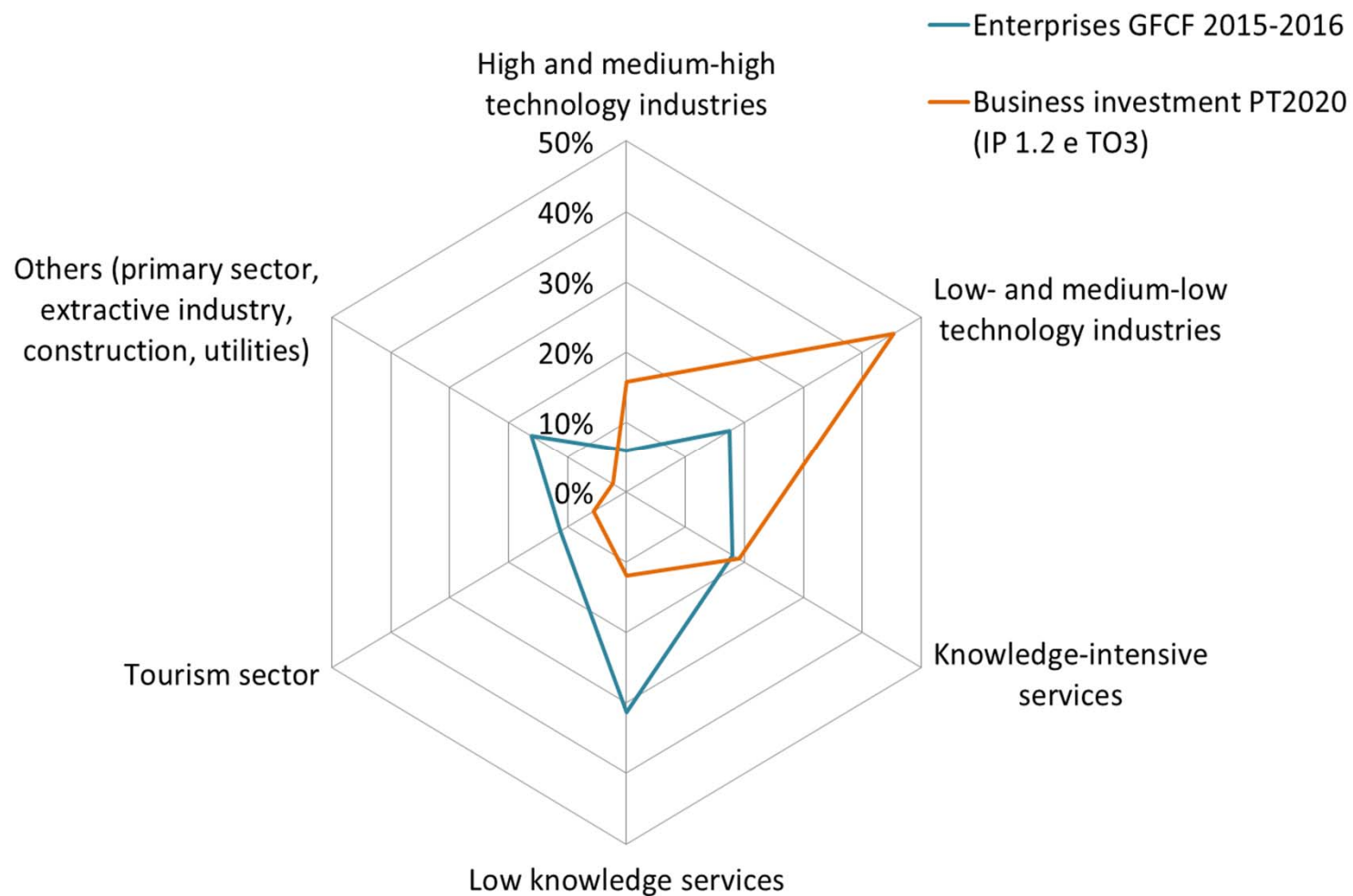
**Exports of goods and services  
(% of GDP)**

**Balance of  
goods and services**



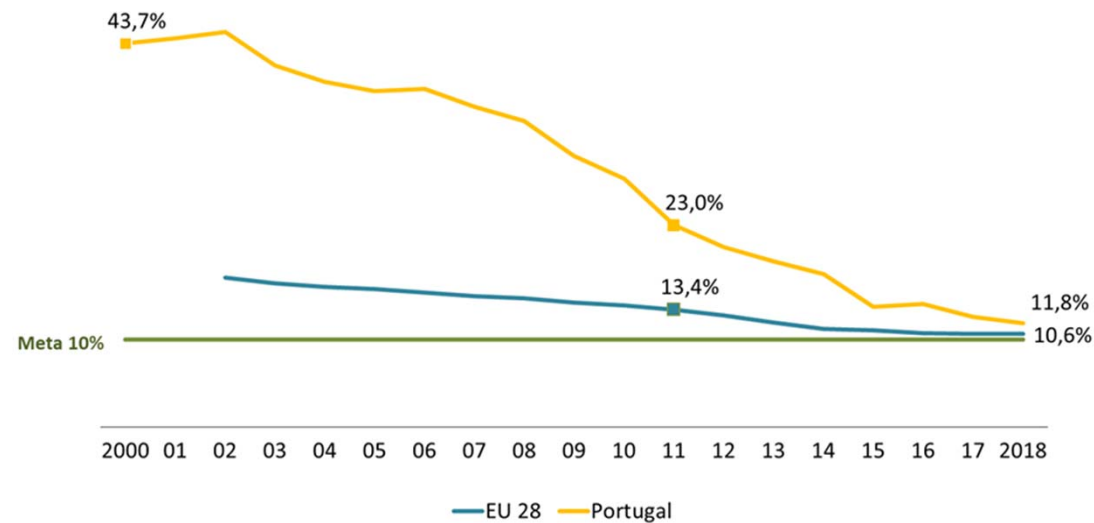
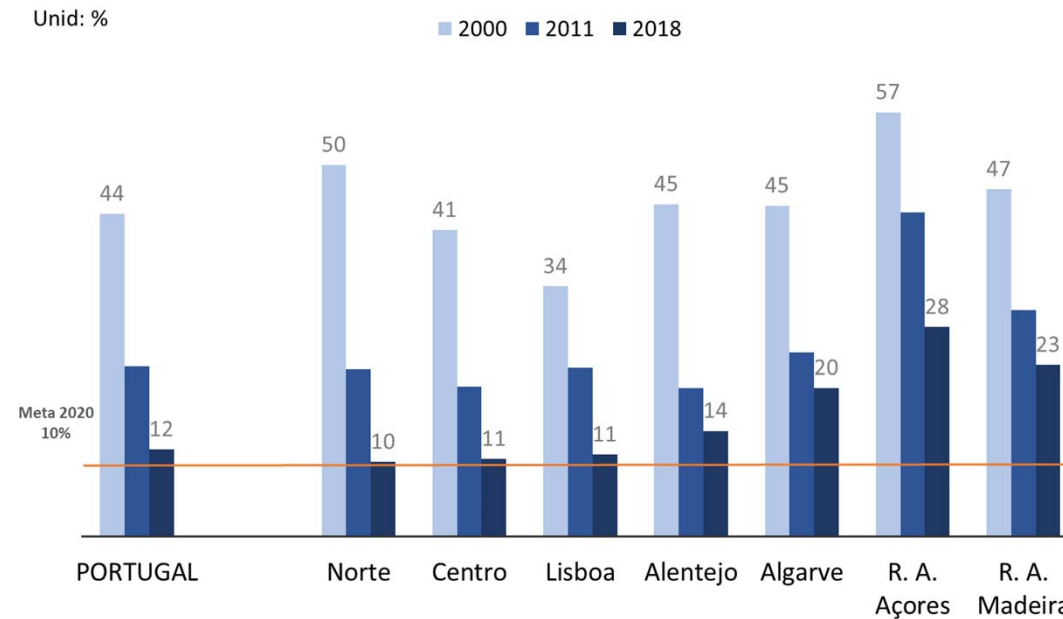
## The Portuguese economy specialization pattern

### Share of sector in GBCF for Portuguese Economy in 2015-16 and PT2020 incentive schemes approvals until September



## Some remarkable results

### Education: Early leavers from education and training

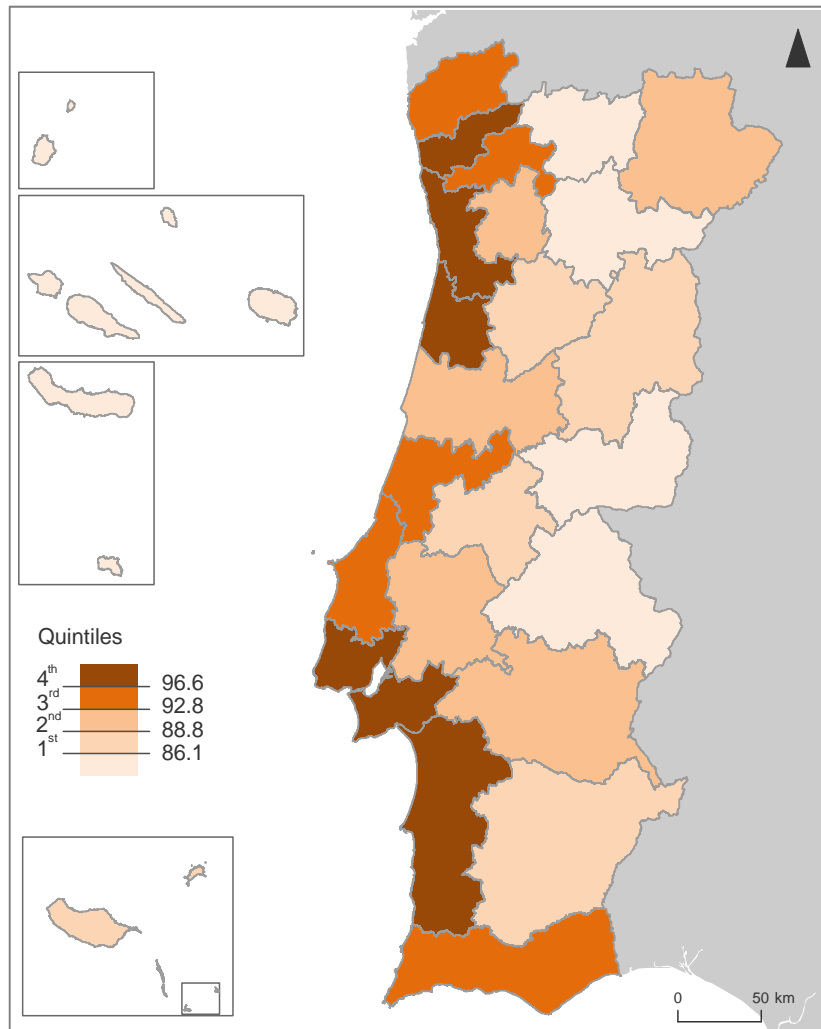




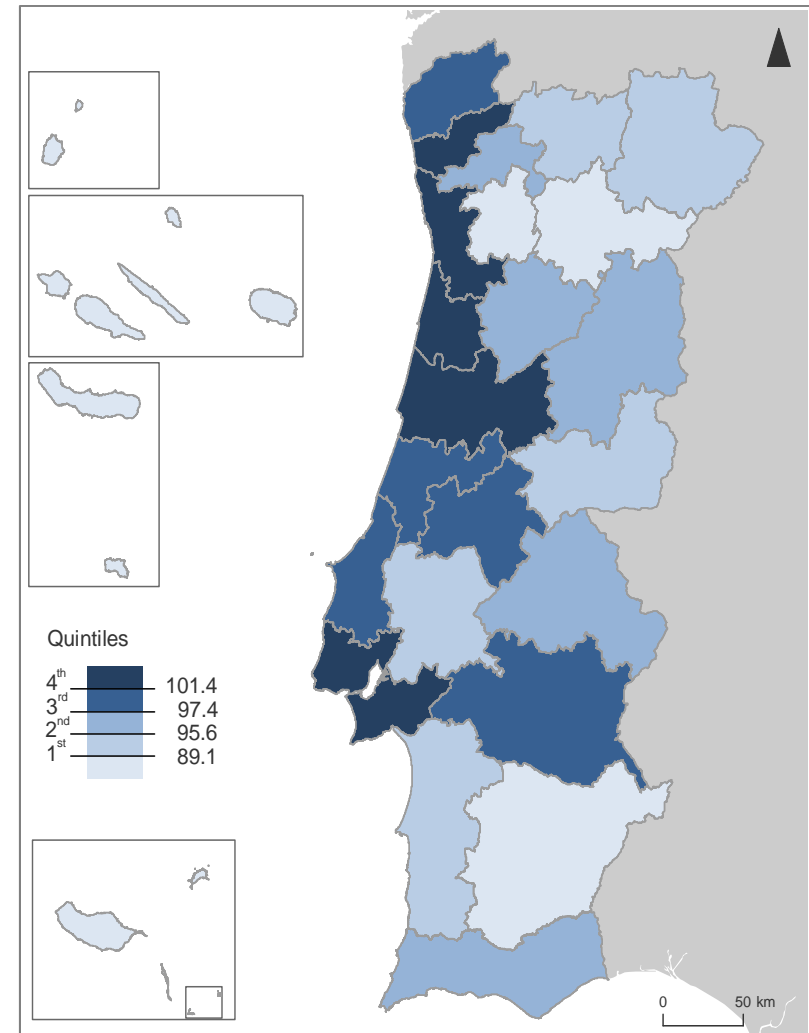
## Some remarkable results

### ISDR 2017 - Competitiveness & Cohesion

## Competitiveness



## Cohesion

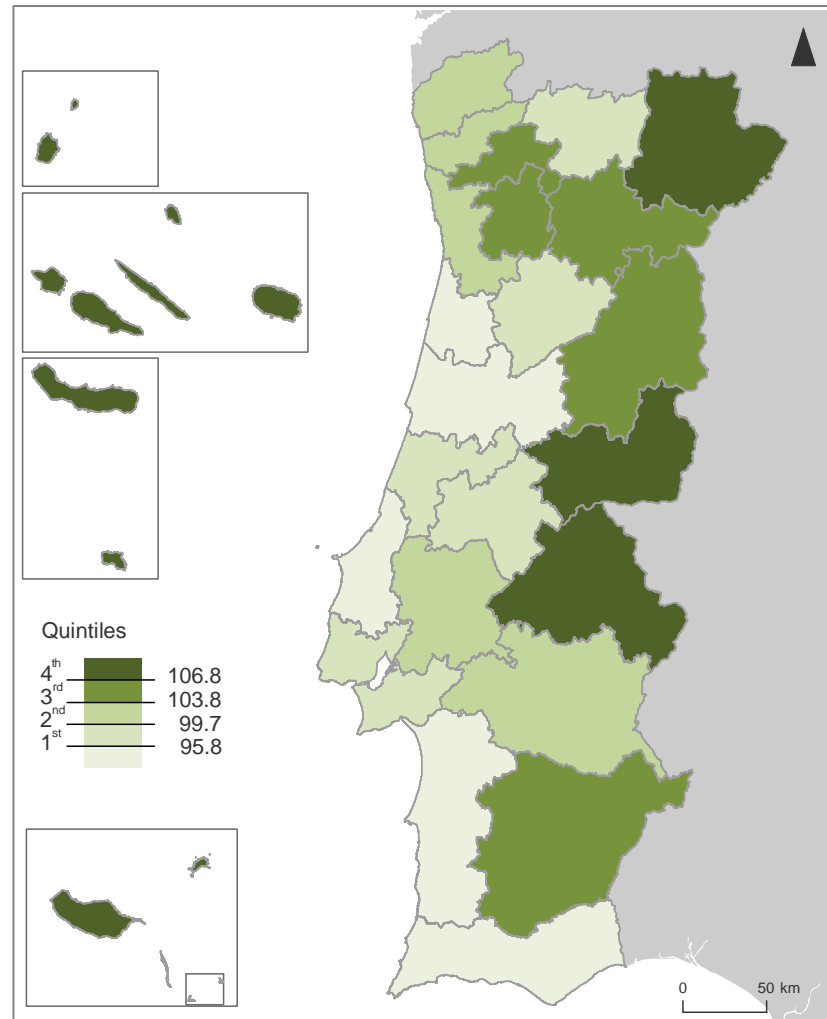


Source: National Statistics

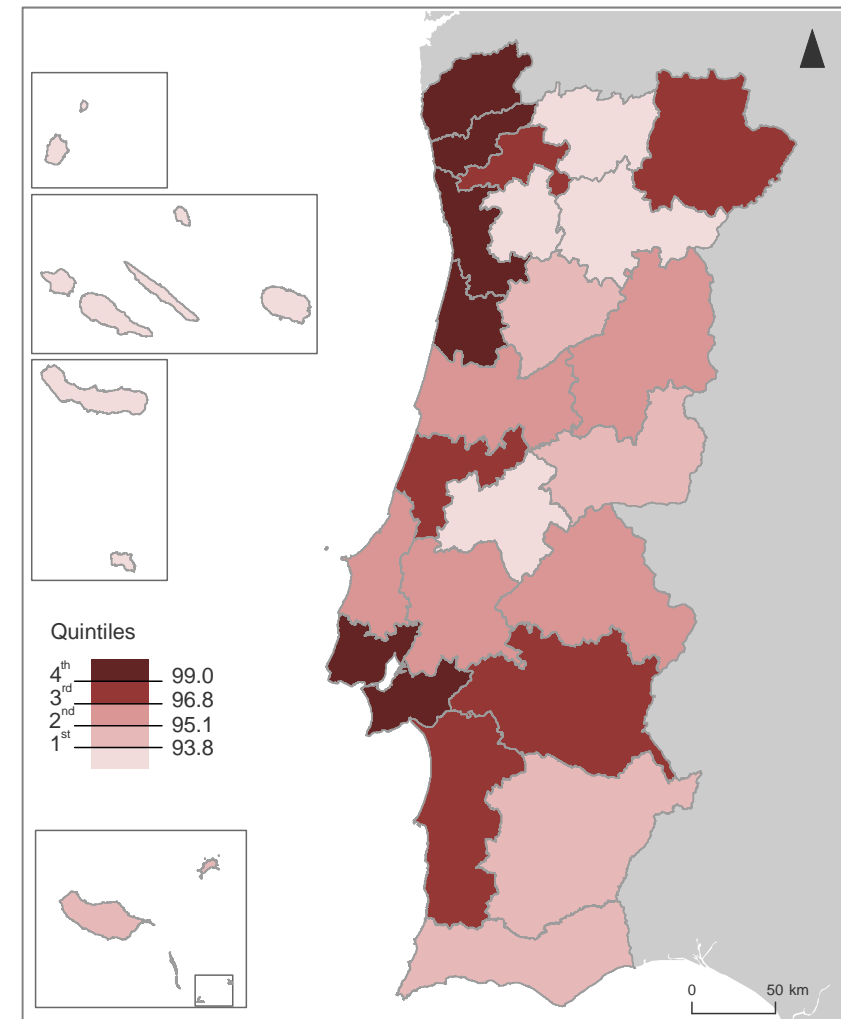
## Some remarkable results

### ISDR 2017 - Environment & Overall

#### Environmental quality



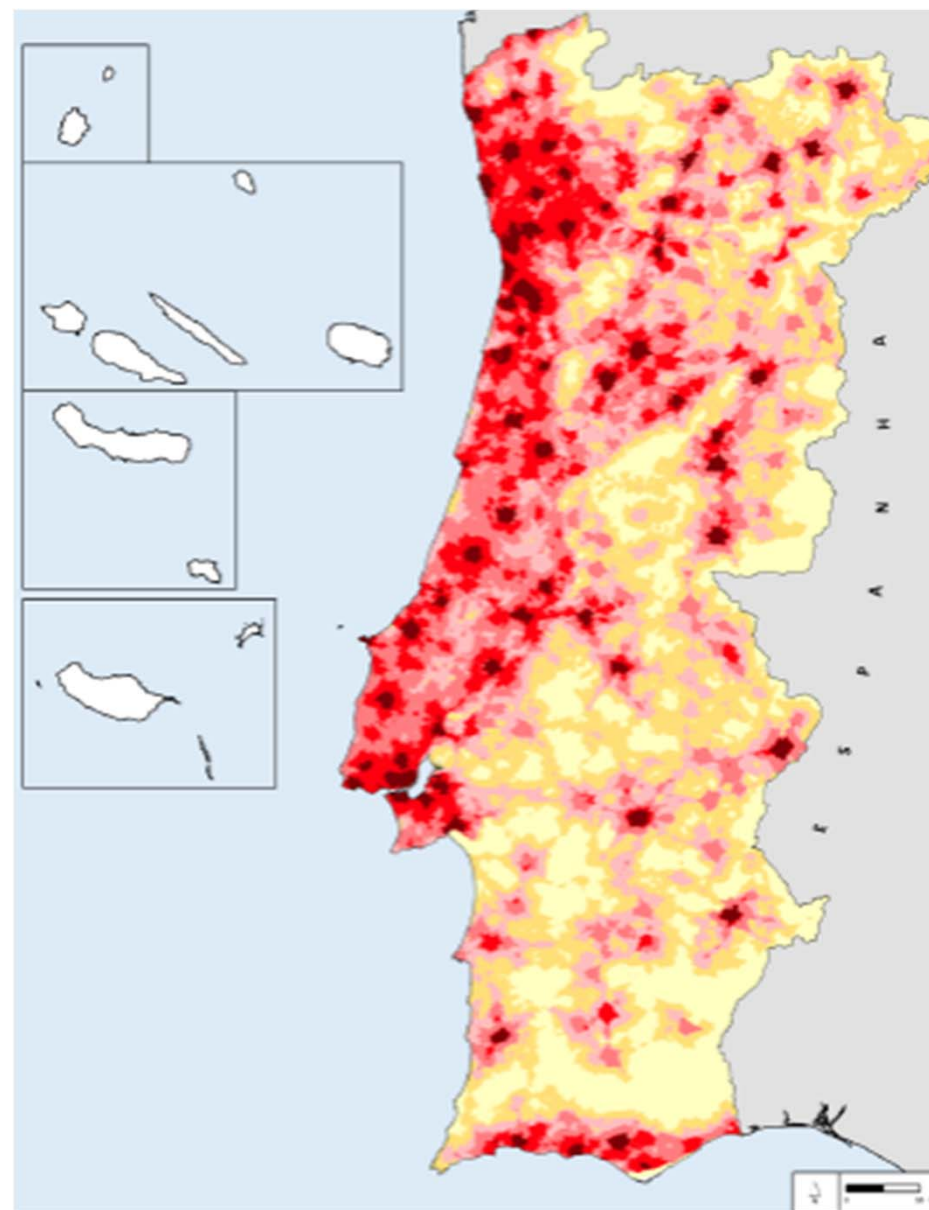
#### Regional development overall index



Source: National Statistics

## Some remarkable results

### Accessibility of General Interest Services 2017



Níveis de acessibilidade aos serviços de interesse geral

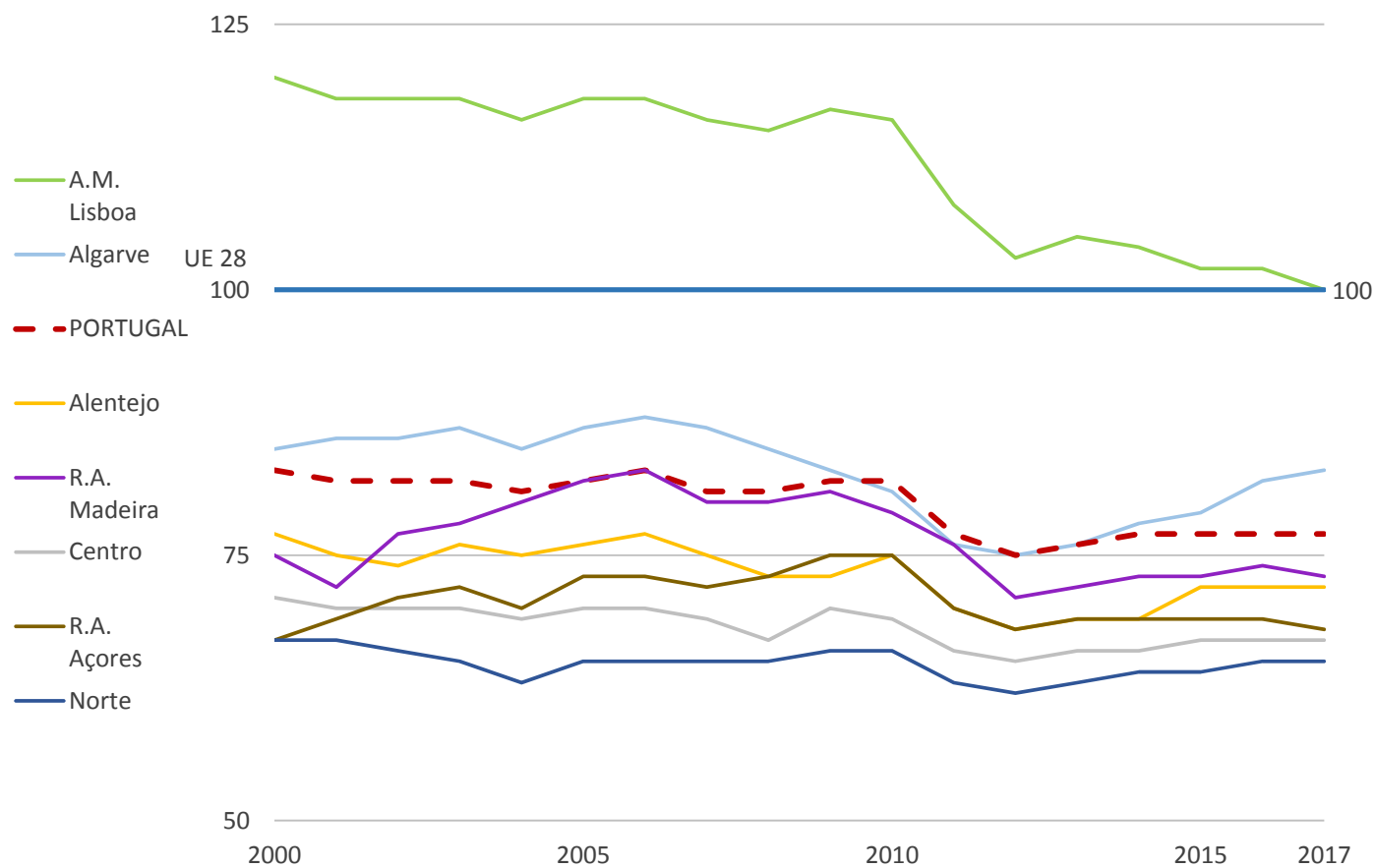


Sem dados

More recently...

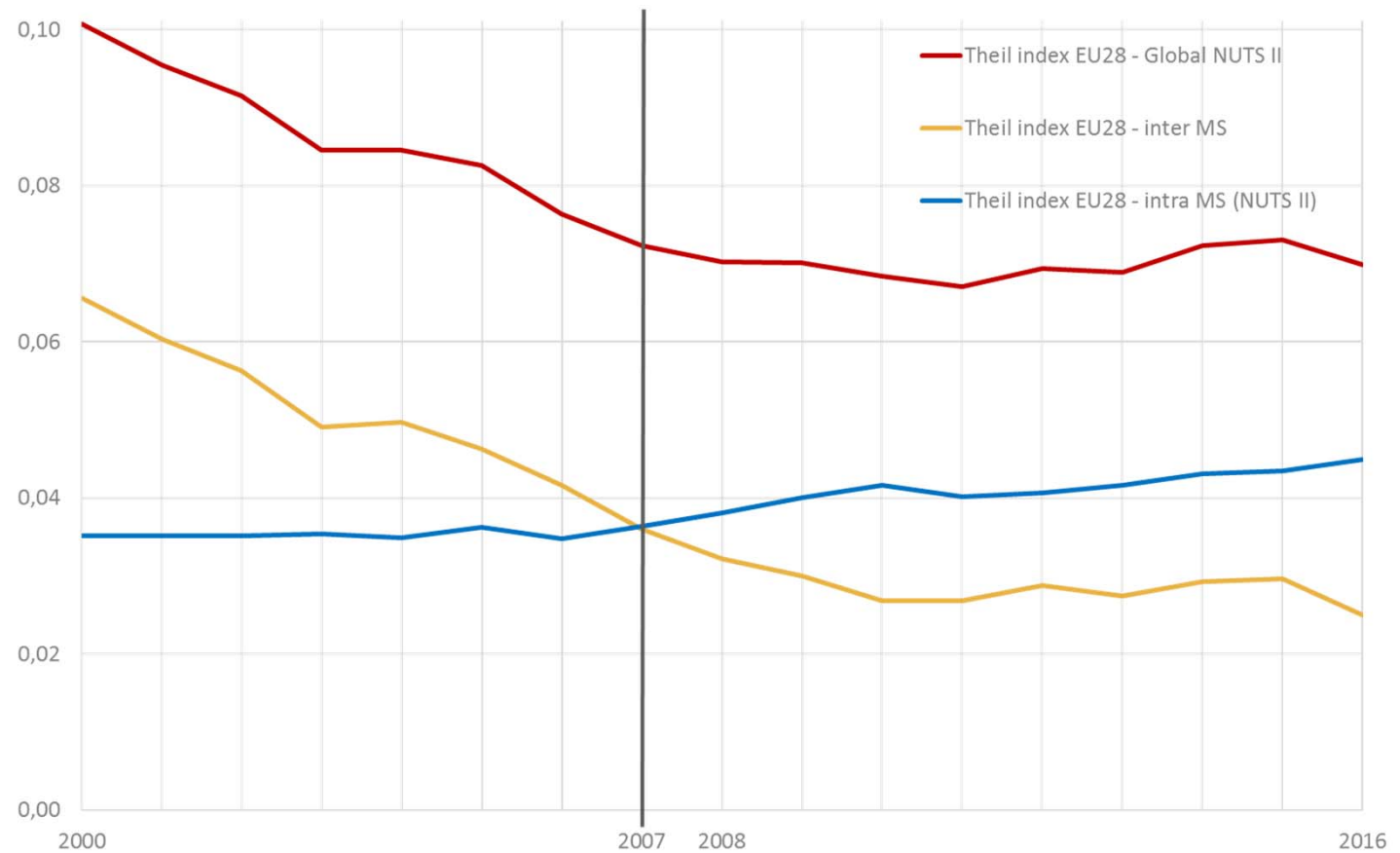
internal convergence with EU divergence

## GDP per inhabitant PPS (EU28 = 100)



Source: Eurostat

More recently...  
**internal convergence with EU divergence**  
(Theil Index)

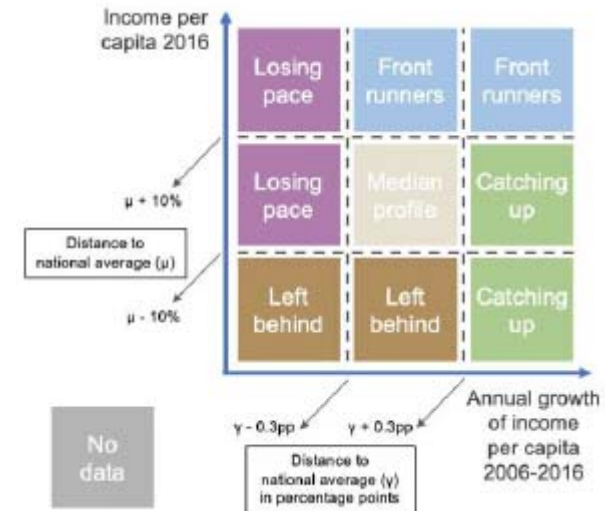
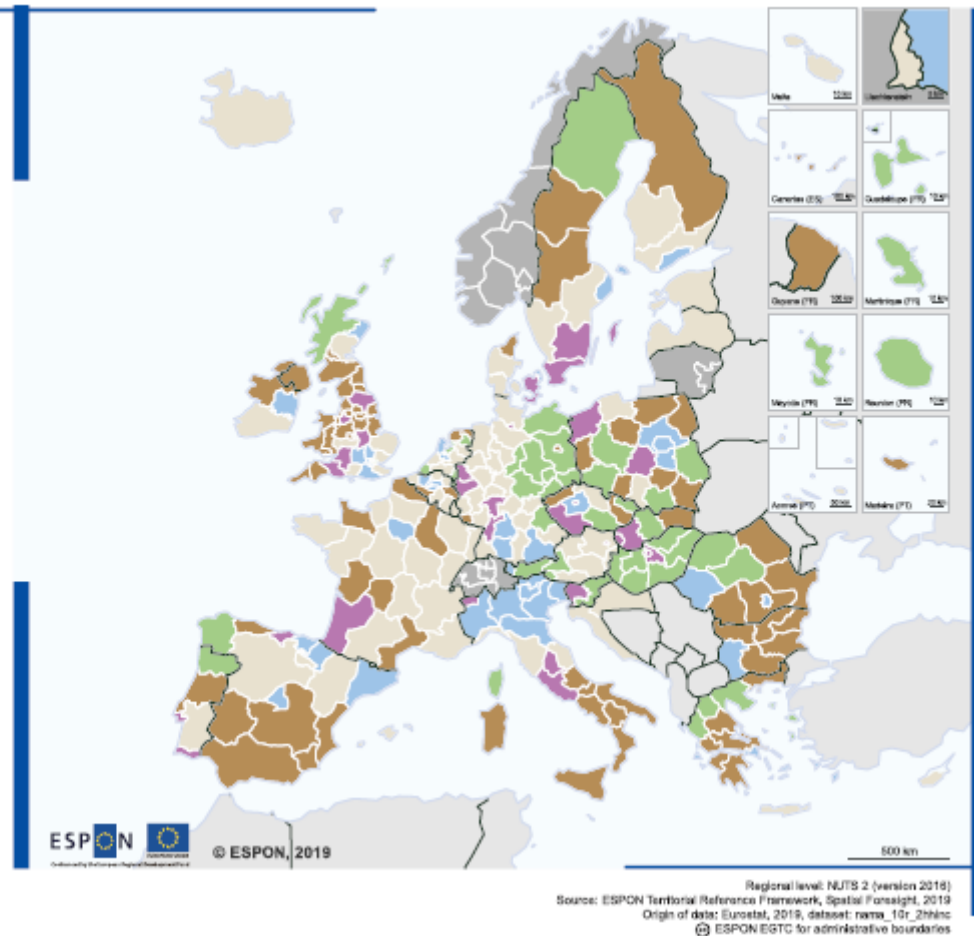


Source: Eurostat, data calculations of (AD&C / UPR) at Development and Cohesion Report

More recently...

internal convergence with EU divergence

Map 3.4: A fragmented Europe? An interregional comparison of income



Data on primary income per capita in PPS was used (Eurostat dataset: nama\_10r\_2hhinc).

Income per capita is based on 2016 figures, except for France, the Netherlands, Poland (2015), Bulgaria, Denmark, Italy and Slovenia (2017).

Annual income growth is based on 2006 and 2016 figures, except for France, the Netherlands, Poland (2006-2015), Bulgaria, Denmark, Italy and Slovenia (2006-2017).

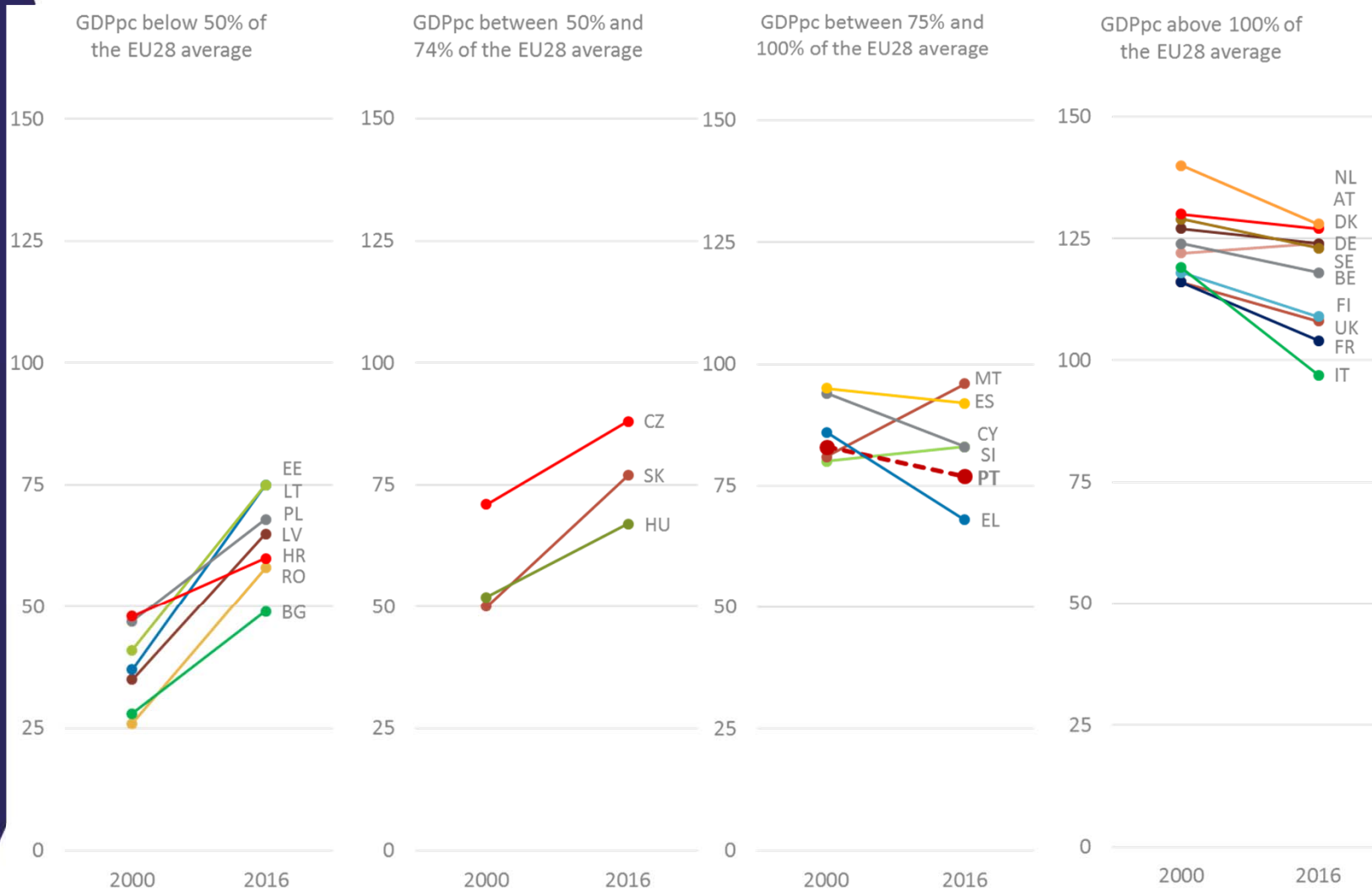
Data for the NUTS 2016 classification was not available for two Polish regions (Warszawski stołeczny, Mazowiecki regionalny), so the NUTS 2013 unit was used (region of Mazowieckie).

No data was available for NUTS 2016 regions of Lithuania (April 2019).

Countries with only one NUTS2 region were assigned to the median profile (CY, EE, LI, LU, LV, MT).

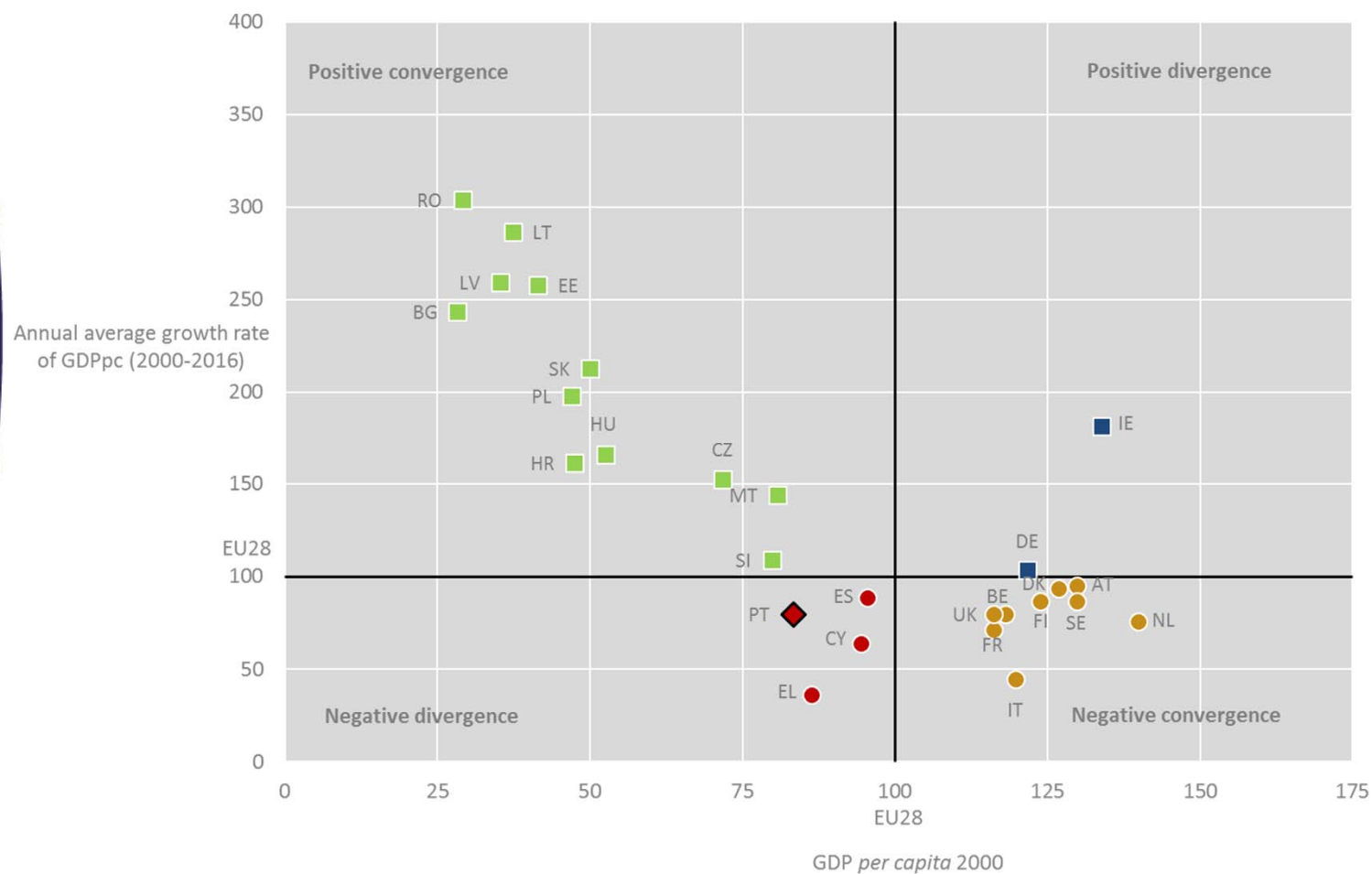
## The Middle income trap?

MS GDPpc (PPP) as a % of the EU28 average, based on the 2000 value



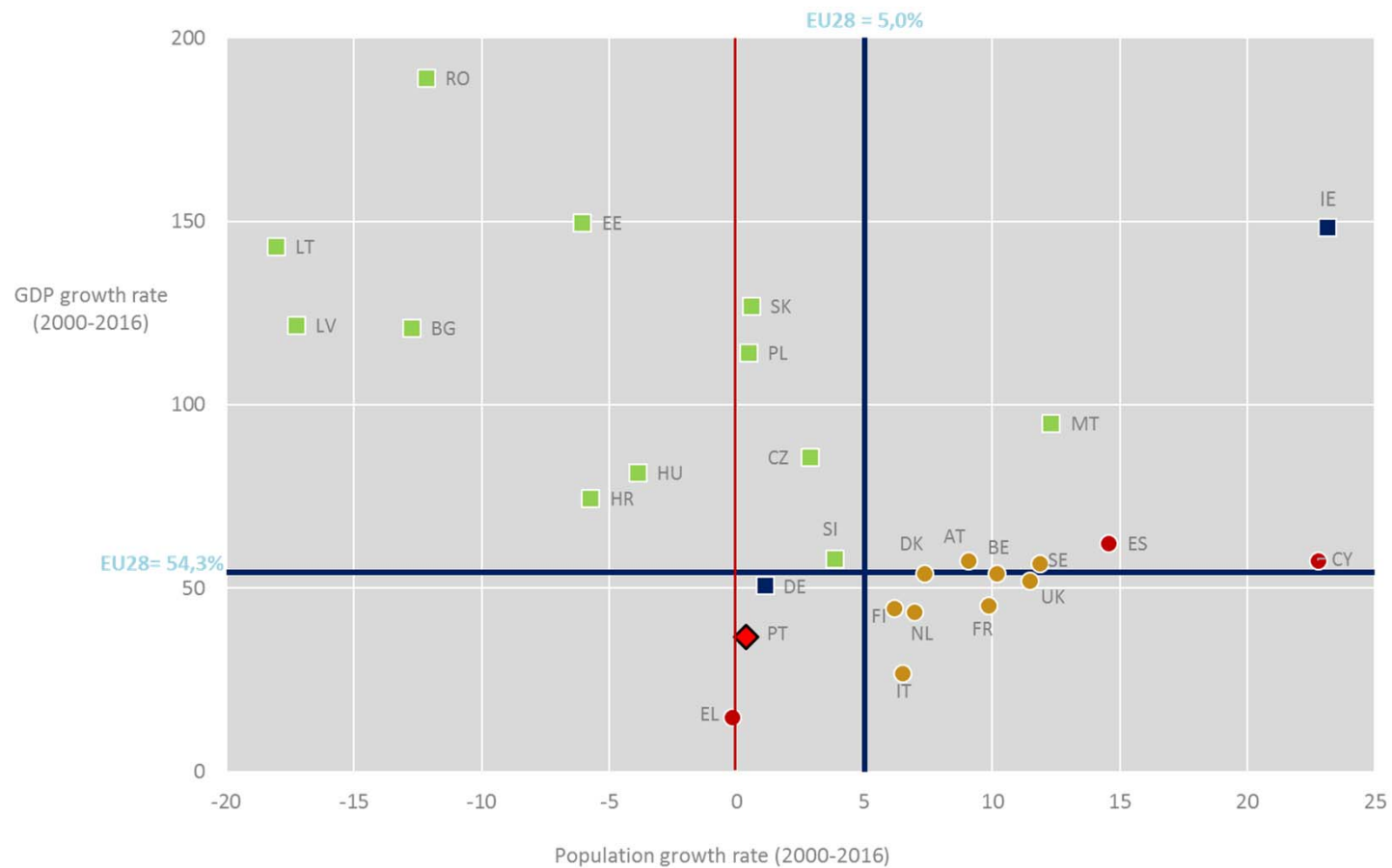
Source: Eurostat

## Member States GDPpc (PPP) convergence process, 2000-2016



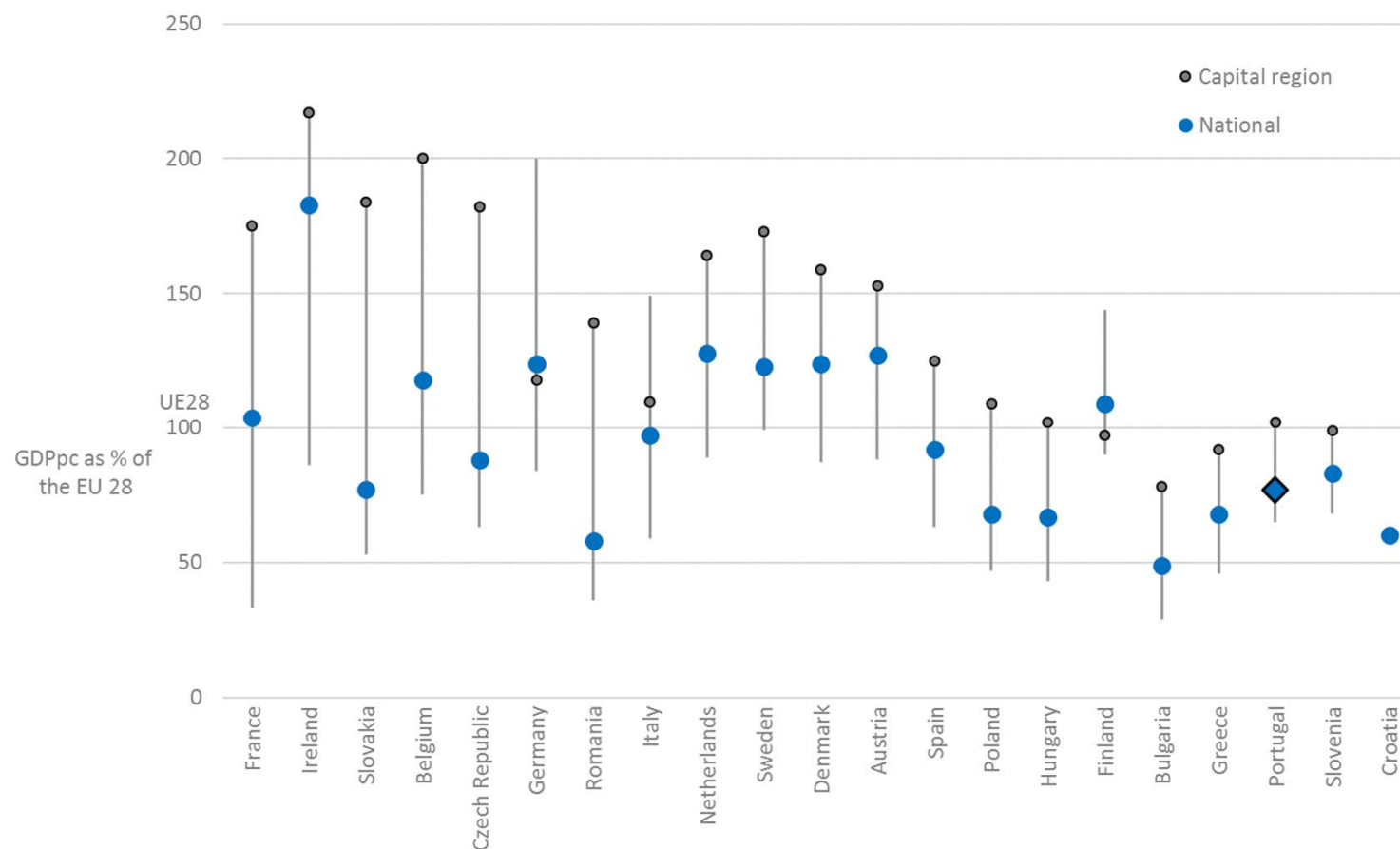


## Large part of convergence in Europe driven by depopulation processes



## PT with a relative low NUTS II inequalities within EU context

**National GDPpc (PPP) and regional GDPpc (PPP) dispersion (NUTS II)  
as % of EU28 average, 2016**

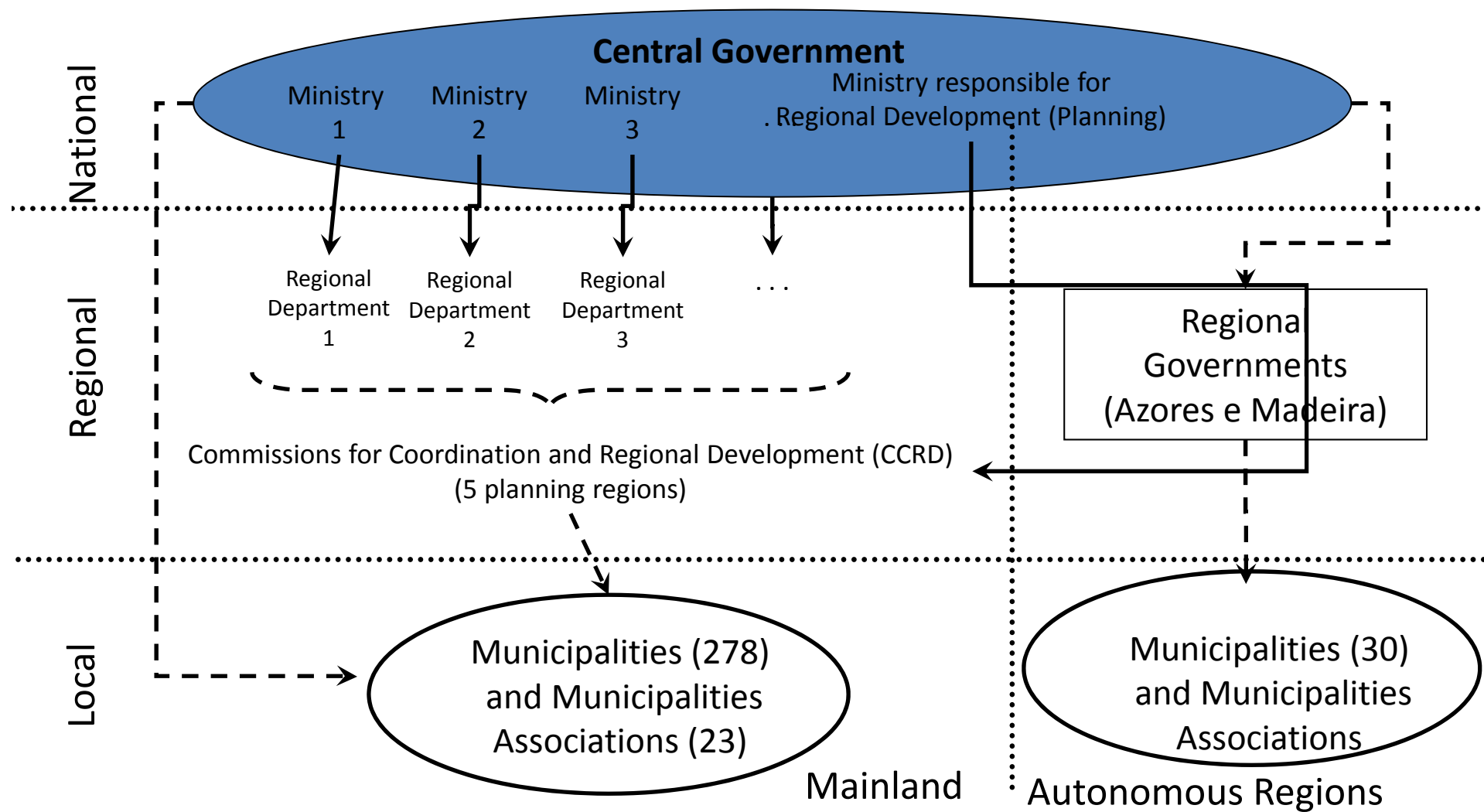


Source: Eurostat

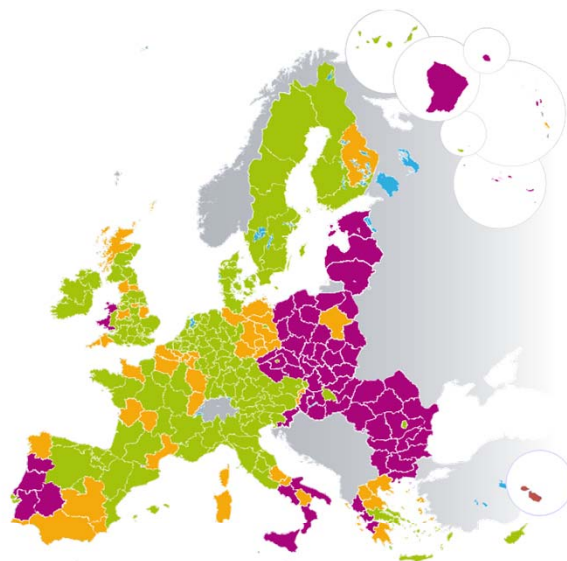
# Geographies



# Portuguese institutional setup



# Geographic Coverage in Portugal



## 3 categories of regions GDP/capita (EU27=100)

### ■ Less developed regions

< 75 % of EU average

**NORTH, CENTRE, ALENTEJO and AZORES**

### ■ Transition regions

75-90 %

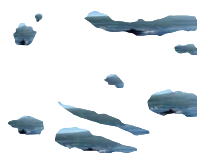
**ALGARVE**

### ■ More developed regions

> 90 %

**LISBON and MADEIRA**

**A. R. Azores**



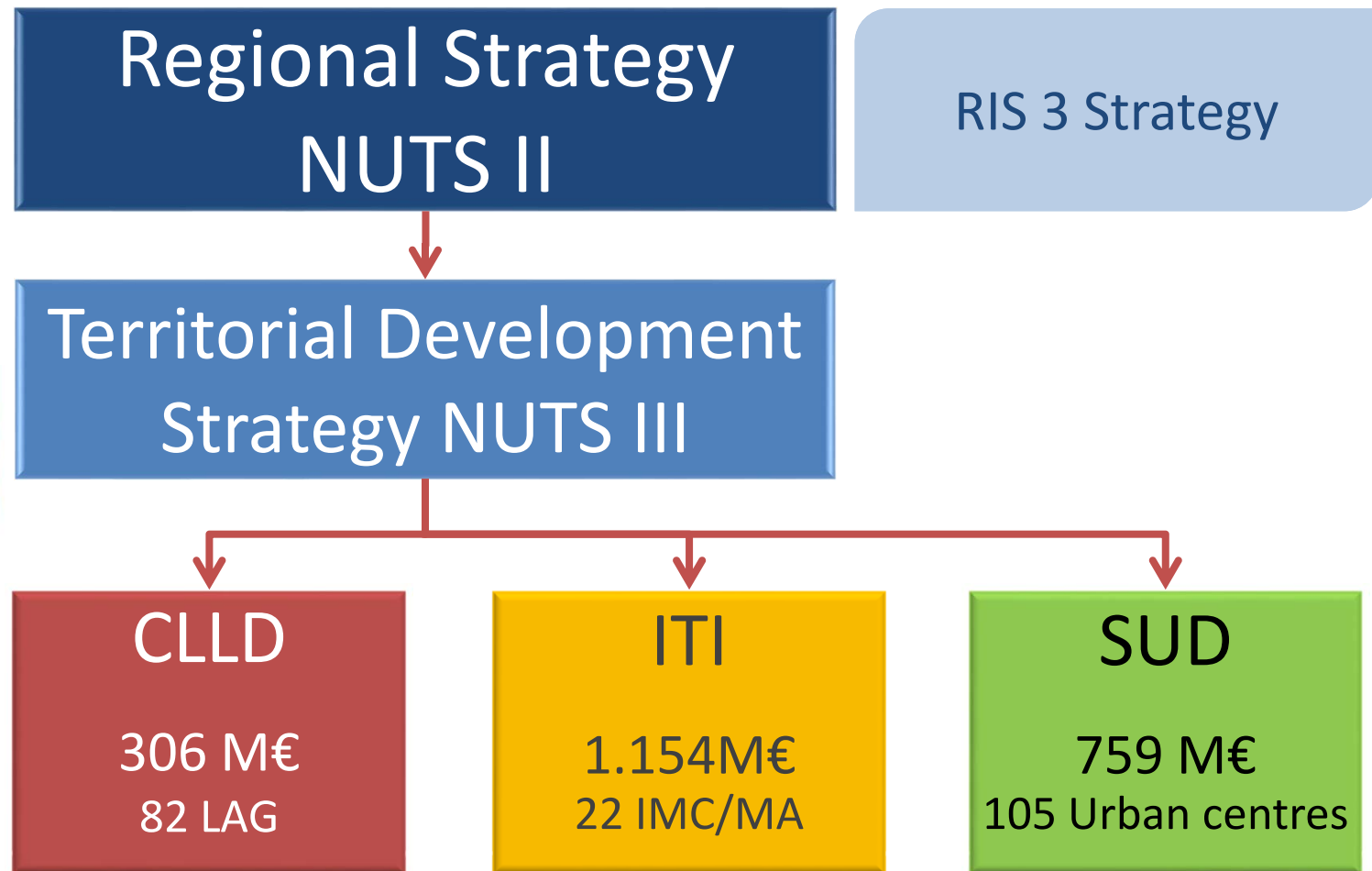
**A. R. Madeira**



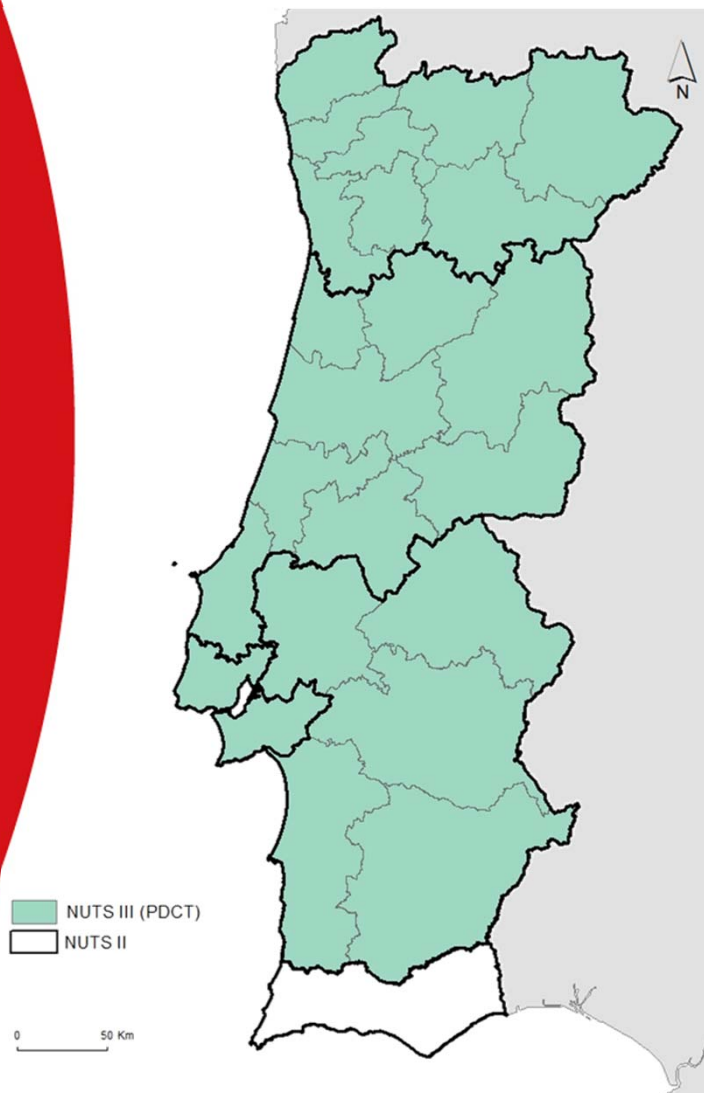
0 50km



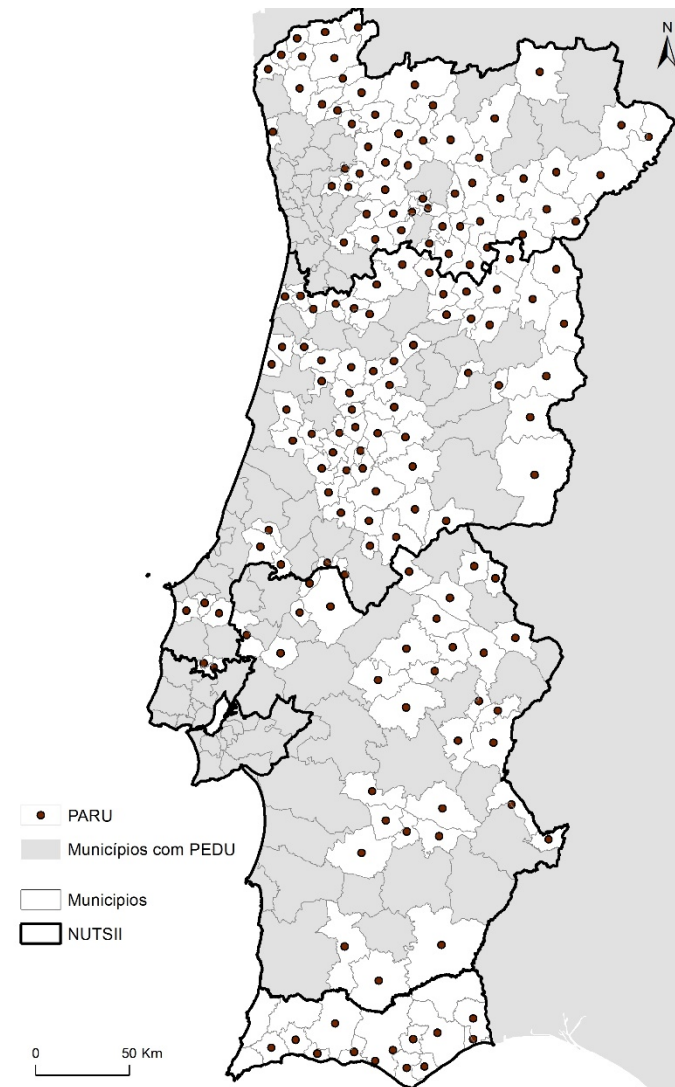
# Portugal 2020 Territorial Instruments (NUTS II e III)



**ITI / PDCT**  
**22 NUTS III (except for Algarve)**



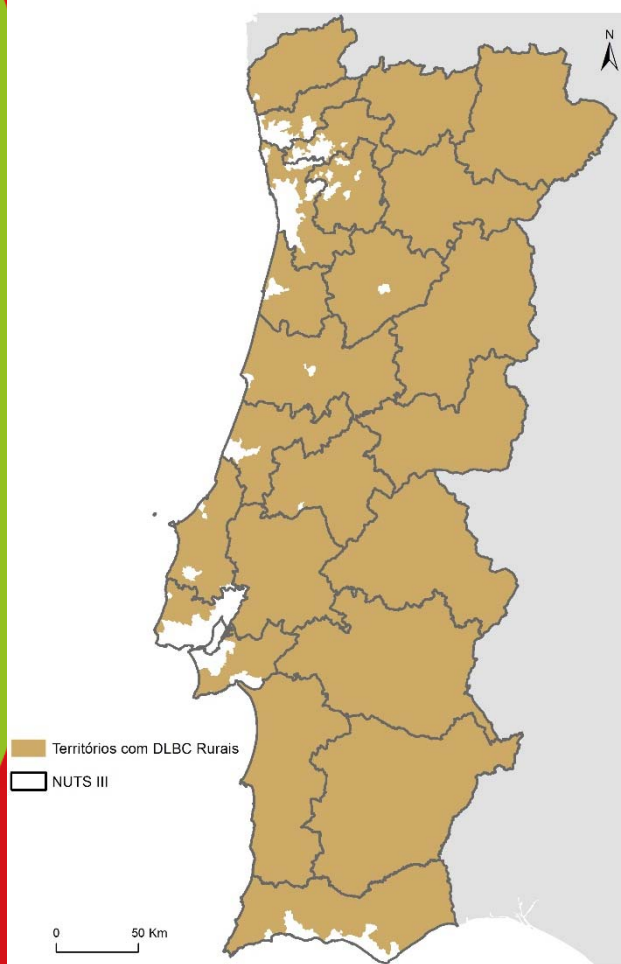
**SUD / PEDU / PARU**  
**105 Urban Centres and**  
**166 other urban areas**



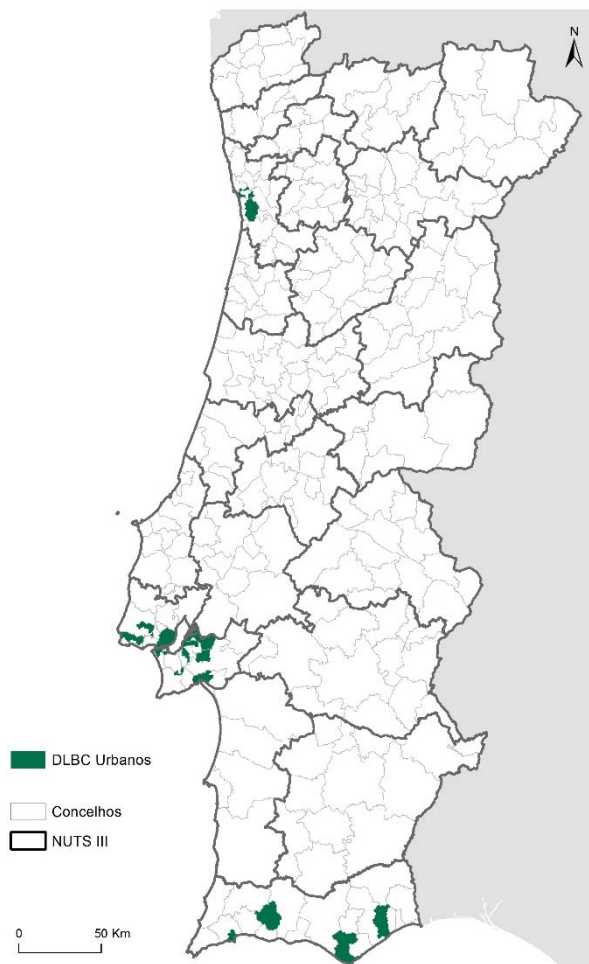


# CLLD – Community-Led Local Development

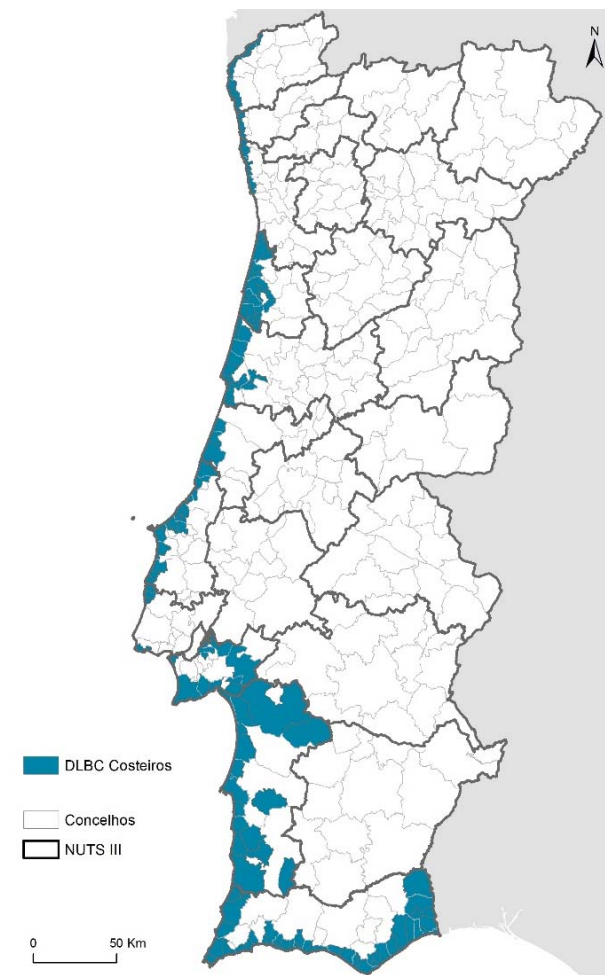
## 54 Rural LAG



## 16 Urban LAG



## 12 Maritime LAG





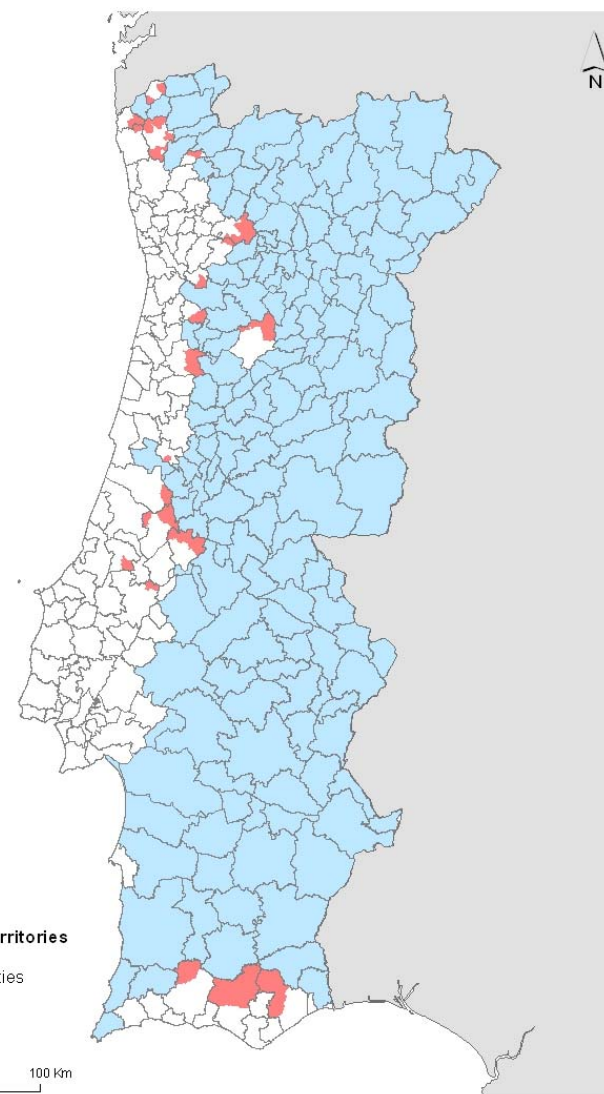
## Measures for positive discrimination in low-density territories:

- **Specific calls**
- **Bonus in the evaluation of applications**
- **Increase in the co-financing rates**


**Low-Density Territories**

 Municipalities  
 Parishes

0 100 Km



## The results...

- 
- NUTS II a central geography for deconcentrated process and regional strategies
  - The relevant role of geography of municipal associations (NUTS III) – the scale for subregional strategies
  - The relevance of urban approach though mainly at inframunicipal level
  - Some relevant experiences with functional geographies in promoting economic development (PROVERE and LEADER)
  - A recent stronger focus on interior

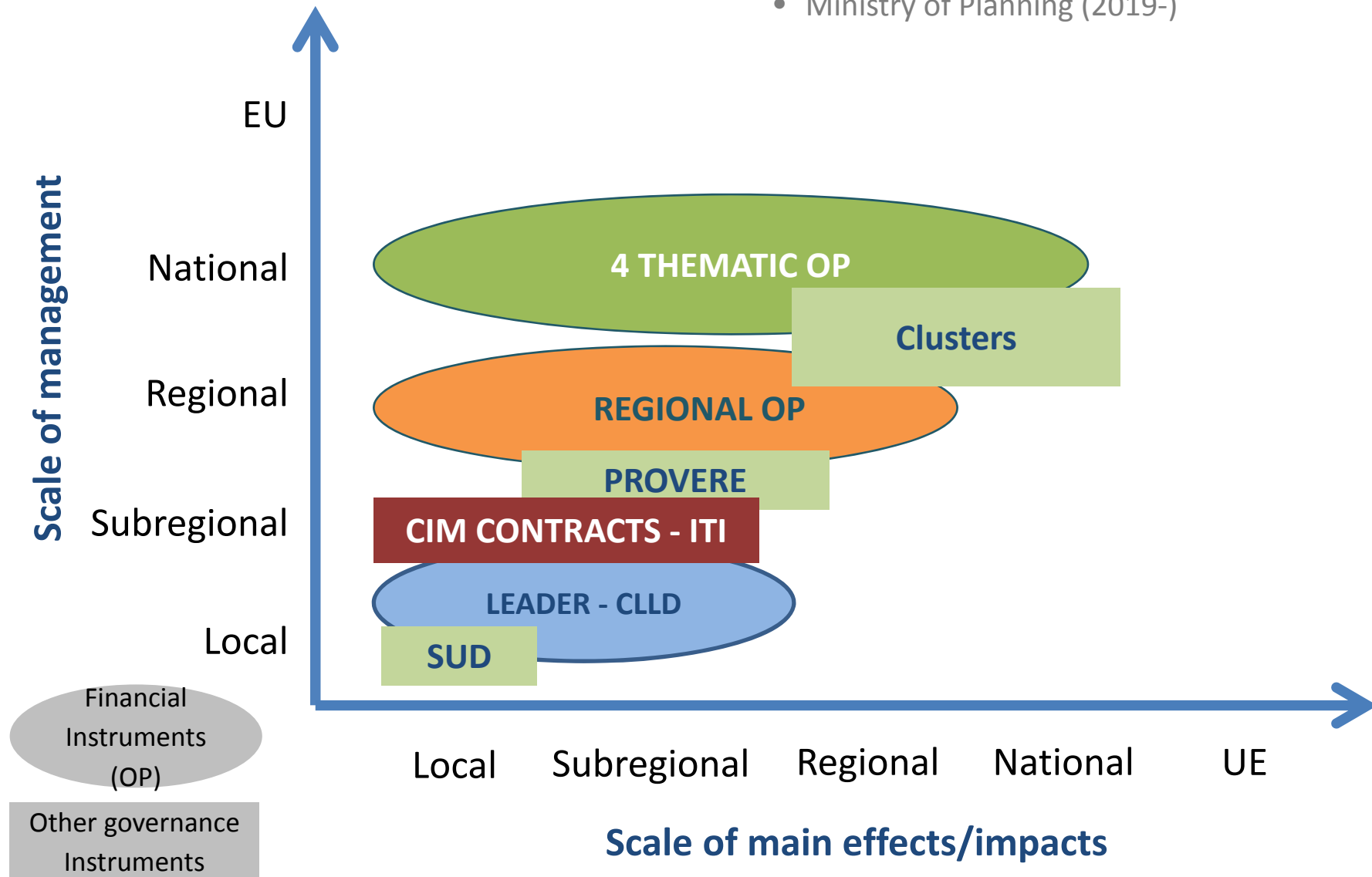
# Governance



## Main governance instruments: Portugal 2020 (2014-)

Ministry of Regional Policy:

- Ministry of Regional Development (2013-2015);
- Ministry of Planning and Infrastructure (2015-2019);
- Ministry of Planning (2019-)




## Some relevant governance tools

- Territorial coordination council and Regional Councils
- Interministerial monitoring WP for the decentralisation process and PNCT measures
- AD&C's role in coordinating instruments and promoting analysis and debate with regional and national actors
- Territorial Instruments (ITI; CLLD ; SUD)
- Policy evaluations also as a process of ownership, empowerment and debate...
- The importance of cooperation with SEN for statistical information



## Relevant trends in Governance

- 
- 1 The more demanding framework of Cohesion Policy instruments: result orientation, strategic framework, evaluation, etc.
  - 2 The “creation” of a third level of governance – Metropolitan areas and others intermunicipal associations;
  - 3 The decentralisation trend ...and the national on going debate on the regions and Metropolitan Areas
  - 4 The relevance of National Spatial Planning Program (a law that defines the territorial model)
  - 5 The “societal call” for a positive discrimination on low density areas and the policy reply through the National Program for Territorial Cohesion

# Challenges

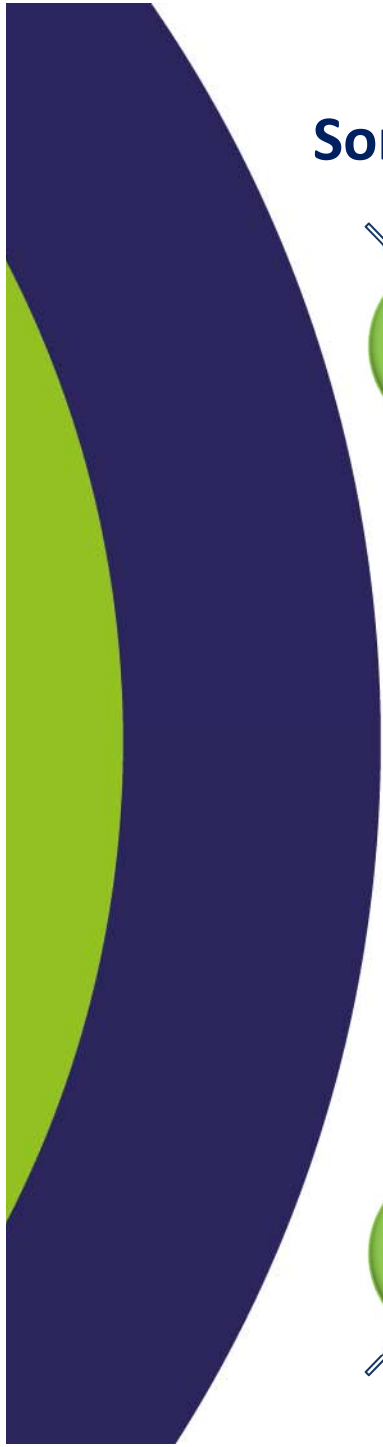




## Main persistent Challenges

- 
- 1 The need to improve the integration/coordination across the main regional policy instruments (EU funds, Spatial planning, Focus on interior, decentralisation and agricultural development in rural areas)
  - 2 The ability to be selective and pursue different and adequate solutions in different territories (trade off specificities/equity)
  - 3 Improve the sustainability of strategies, guaranteeing the credibility of public policies. For that purpose, it is important not to puzzle strategies/governance/financing;
  - 4 Clarification of competences across public agents/public institutions... strengthening the consistency of “administrative geographies”;
  - 5 Maintain capacity-building actions at all levels (local, subregional, regional and national) and the relevance of local leadership

## Some relevant new Challenges...

- 
- 1 The right balance between a focus on less developed regions of interior (internal convergence) and the need to enhance development of the more dynamic regions (external convergence)
  - 2 The efficient and effective way to provide accessible and affordable public services in all regions, mainly in the regions under depopulation and ageing pressures
  - 3 Promote more flexible framework for the local agents in order to mobilize and animate the territory, rather than performing more administrative and bureaucratic duties...and avoid to replace thematic fragmentation with fragmentation in territorial strategies
  - 4 The ownership of low carbon agenda at local level and the adequacy of public policy instruments to change effectively and timely the agents' behaviours
  - 5 The right balance between focus and flexibility in regional industrial policy (e.g. RIS3)



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