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**"Regions and cities in the global economy:
Challenges and issues for a modern regional policy"**

Panel Debate Statement

Closing Session of the OPEN DAYS 2007

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European Parliament, rue Wiertz 60, Hemicycle

Question asked by French journalist Pierre Benazet :

"Businesses provide a centre for human activity, anchoring the working population in a region: what can and must businesses expect from the European institutions and the regions?"

Speaking points

Businesses and regions have things in common. Both are cooperating and competing with others, both need to be successful in the long term. Both are dependent on people, their talents, knowledge and skills, and on a sustainable management of the environment. Both look for "return on investment" - though in the case of regions this might materialise in different ways than it does for businesses. Both may have a more or less strong sense of identity. And finally, both have to build their brand.

Businesses and regions are different: regions are not mobile. That is why regions need to make efforts to be attractive for citizens and for businesses. Regions have to remain where they are, and their geographical, environmental, historical and cultural assets are either

unchangeable or determined over longer periods. But how can regions succeed in the "beauty contest"?

In spite of not being mobile, all regions have to move. It is crucial to stay dynamic and outward-looking in order to adjust to a rapidly changing environment. Successful businesses have known this forever. But this is also true for regions. Inward-looking regions will be marginalized. Our modern service-oriented economies depend on openness, cooperation, innovation and soft skills.

Modern regional policies favour open-mindedness and intellectual mobility. These prerequisites will support economic change and help to unlock the regions' unused potential. Most of our regional success stories are about such turn-arounds.

Regional policy has moved already. This should help regions to move.

Regions need to actively develop their potentials. Regions and cities depend not only their factor endowment but most crucially on their ability to innovate and cooperate at regional, national or global levels. Efficient governance is a key condition for any growth and development strategy. Moreover, regions need to seek greater synergy effects, which can be generated by flexible cooperation at different territorial levels. It is, thus, of crucial importance to follow a long-term integrated approach, engaging all relevant stakeholders. This is both a precondition for and a result of being an attractive business location.

Regions have to provide opportunities, both for businesses and for citizens. Beyond "good governance" systems, regions are responsible for public goods, such as accessibility, education and culture, energy or waste management. The provision of public goods is much in the interest

of businesses and regions alike. It is in the interest of our new cohesion policy as well as it is in the growth and jobs agenda's interest. In this sense, EU cohesion policy acts in full coherence with other Community policies, be it competition, environment, research and innovation or Trans-European Networks.

EU cohesion policy is not made to please subsidy seekers. We need businesses which are willing and able to share and to contribute to the long-term development of regions. This may be called a certain form of corporate responsibility which the EU respects through its cohesion policy. It should be at the heart of global business' strategies as well.

Regional policy needs and businesses. Without entrepreneurs, without undertakers in the true sense of the word growth, more sustainable jobs and competitiveness will hardly materialize. The Union's agenda for growth and jobs needs business people, they are at the heart of the change in Europe. And regional policy is there to help them to modernize our economies.

Regional policy helps to overcome borders. How to further facilitate cross-border cooperation between businesses is a big area to explore. Borders hold back development - we have abundant evidence on this. Different legal, fiscal and administrative frameworks lead to a fragmentation of labour and product markets. We cannot afford this in an increasingly integrated world.