

**ERRIN MIND Forum: Navigating beyond Lisbon -
the Regions on course to economic recovery
and the knowledge economy**

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"Post-Lisbon and the future of regional policy"

The double meaning of "Lisbon"

When we talk about Lisbon in a policy context, there are two things that we might be referring to.

First of all, there is the Lisbon Treaty, which was recently ratified by the 27th Member State and will come into effect on the 1st of December this year. When the new Treaty comes into effect, the competencies of the Parliament will change. There will be more involvement of the Parliament in policy making. This provides a much broader legal base for the Committee on Regional Development. Territorial cohesion gives us a chance to avoid sectoral approach to growth.

Secondly, there is the Lisbon Strategy which is due to end in 2010. A new Strategy for the next ten-year period is due to be launched by the European Commission to follow Lisbon. Overall, I feel the Lisbon Strategy bis, after 2005 has been successful in promoting sustainable growth and research and innovation because it was taken down to the regional and local level and

because we ensured coordination at national level, as well as regular reporting by Member States.

We have already invested a lot in the knowledge economy actively involving the regions. In the future, we should do even more of that.

Where we are now in Europe

We currently face three main challenges in Europe:

First, we need to get out of the crisis and put the European economy on the right track in terms of long term growth. We need to link the opportunities that the crisis is offering with long term growth. The fiscal expansion that is currently ongoing should focus in the first place on being sustainable, though we seem to care more about the budgetary aspect. We are faced with rising levels of unemployment, that is to say: we are in a *real* economy recession. We should look to create new jobs, but we must make sure that the jobs we create are sustainable. They must fit in our long term growth strategies. Change will not happen by itself. We need strategies and well thought through policies.

Second, we must focus on sustainable development. We should look to invest specifically in the greening of our economy and in preventing further climate change.

Third, we have to realize that knowledge and innovation should serve as the main basis for growth. Europe needs knowledge and innovation to remain competitive in the world. For this to happen, we need the involvement of all levels of governance, cooperation aimed at quality, and integrated approaches. I believe that without the involvement of the regional and local level of European multilevel governance we will not make it.

Role of the regions in facing these challenges

Harnessing European regional policy in the area of knowledge and information is essential. Fortunately, we do not have to start from scratch in addressing the challenges that I just mentioned. The 2006 reform of regional policy already made it work for the Lisbon agenda. Lisbon worked for regions as well.

The regions have an important role in building the knowledge economy and promoting innovation. Some regions already are doing extremely well in terms of innovation and promoting the knowledge economy compared to national or European levels. I remember hundreds of excellent examples of cooperation and interactions between regional triple helix actors, of regional activities bringing research and the economy together.

What we need right now, are actions to support the networking of the regions. We need to actively involve them rather than just see them as implementing bodies. After all, the regions are where the local knowledge is, and this knowledge is essential in implementing any strategy.

So we have to encourage regions to look into their current strategies and see how they could adjust them to increase their efficiency and their potential for innovation and knowledge-promoting strategies. In order to face global challenges we need local responses.

The world emerging from the crisis is certainly an interesting place in which preconceived ideas are being challenged. We are forced not only to ask fundamental questions about our priorities but there is a growing recognition that the appropriate responses are increasingly at local and regional level of European governance even if challenges and opportunities may spring from further afield than 20 or 30 years ago.

European regional policy has already a history of catalysing and managing knowledge-innovation interactions, building trust between local and regional players, using local knowledge.

When it comes to questions like developing new poles of attraction that will retain skills and knowledge or promote new opportunities for areas affected by restructuring, it is perfectly clear that effectiveness depends critically on local and regional involvement.

The post-2010 Lisbon Strategy, the new growth paradigm for Europe 2020, must provide a genuinely integrated, comprehensive framework, a single development framework, embracing economic, social and environmental dimensions, based on sustainability indicators and involving all levels of European governance in the pursuit of common European objectives. The democracy of growth can be combined with the quality of growth.