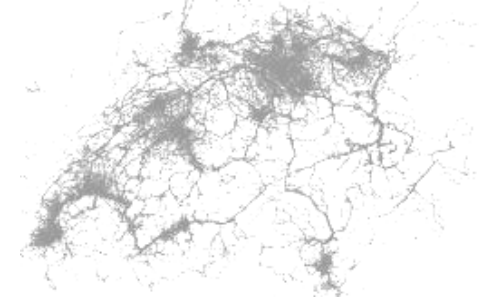


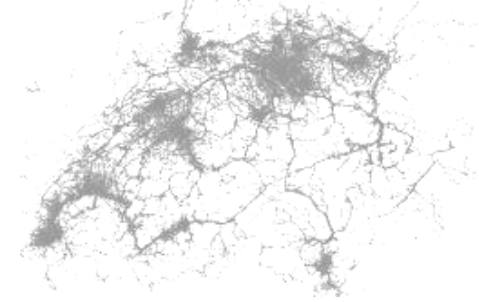
Swiss Contribution to the enlargement of the EU in
the domain of regional development in the
Czech Republic, Hungary, Poland and Slovakia



Regional Development Paradigms and Experiences in Switzerland

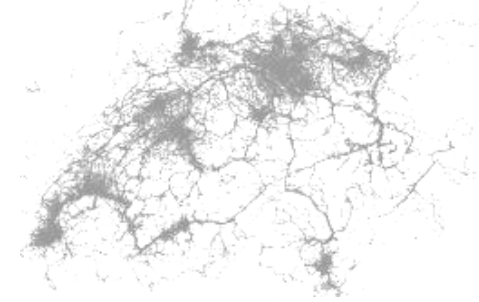
Discussion paper by
Hans-Peter Meier (World_DRIVES Association)
Franz Kehl (KEK-CDC Consultants)
Dieter Zürcher (KEK-CDC Consultants)
3.02.09

Content



1. Purpose
2. Introduction
3. Regional development policies in Switzerland 1950-2008
4. The new regional development policy of Switzerland
5. Overview on phasing in Switzerland
6. SDC approach to regional development policy in the New EU Member States

1. Purpose



Context

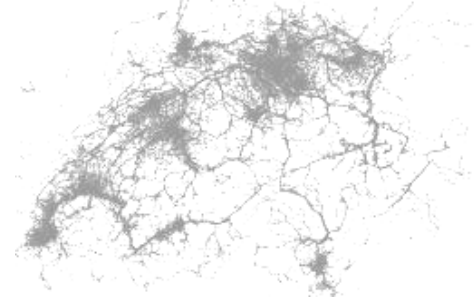
This presentation synthesizes the Swiss experiences in the regional development domain for

- local project partners
- the expert pool
- other interested network partners

Kick-off

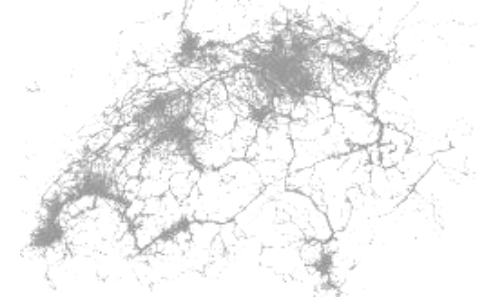
The document is supposed to inform and promote discussion between involved partners (incl. SDC staff).

Purpose (2) - How to use it



- Slides
- Supplementary background information (notes)
- Printing of slides and notes

2. Introduction



Basic features of Switzerland that have a substantial influence on regional affairs:

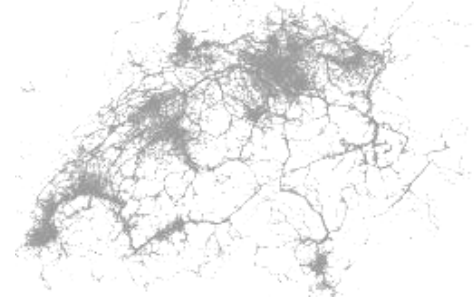
Strong federalism with at least three levels:

- a) communes (ca. 2'700)
- b) cantons (26)
- c) confederation
- d) and differing organisational levels (districts, regions) in between

Myths and history

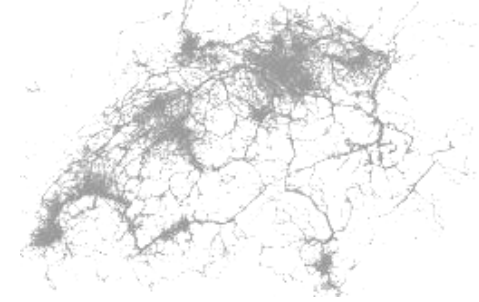
Smallness and autonomy

Introduction (2)



Excellent infrastructure - interlocked regions
Polycentric situation

Introduction (3): Financial transfer mechanisms



Cantons and communes have a fairly extensive **fiscal autonomy** since a long time

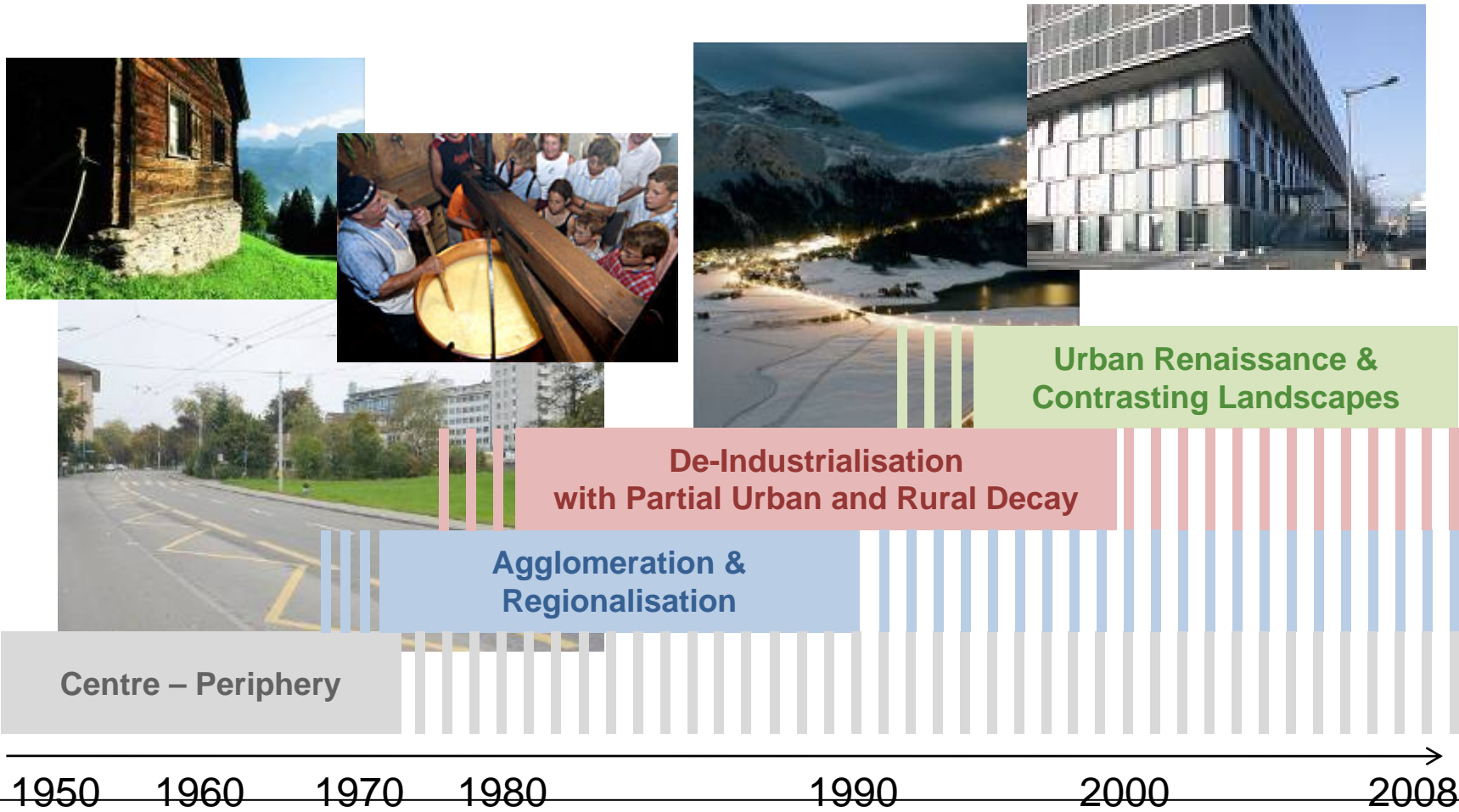
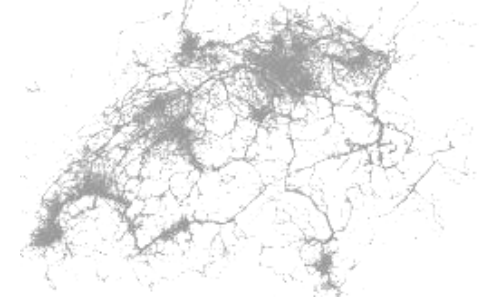
Fiscal equalisation policies are in place at cantonal and federal level (since 1959, overhauled in 2008). The fiscal equalisation has been modest and disparities between poor and rich Cantons/ communes remain high

Vertical and horizontal balancing

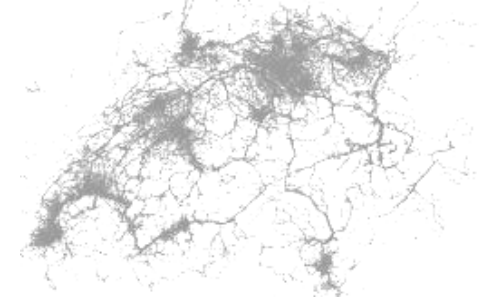
Expenses for explicit **regional development programmes** are marginal compared to a) sectoral budgets and b) fiscal equalization transfers

Inhabitants in the alps receive **substantial subsidies**

3. Trends in Regional Development in Switzerland 1950-2008 – Phasing

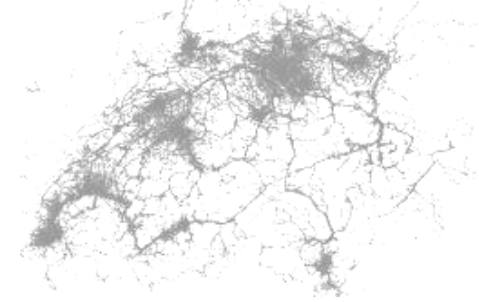


Centre – Periphery era (ca. 1950-1975)



- Industrialisation, modernisation, a booming economy and traffic infrastructure development led to a *drift to the cities*
- Awareness of centre – periphery *disparities*
- New strategies of *balancing*

Centre – Periphery era (2)



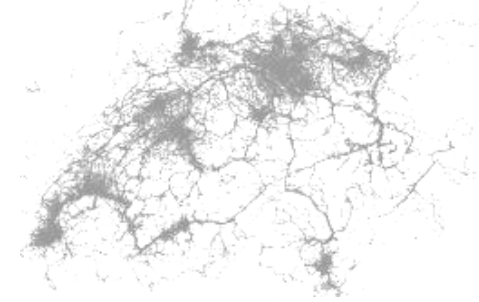
Principles

- Stop exodus from mountain areas

Instruments

- No coordinated regional policy
- Instruments of sectoral policies in mountain areas: infrastructure development, agriculture, social policy, housing development, etc.
- Fiscal equalisation mechanisms

Agglomeration & regionalisation era (ca. 1970-1990)



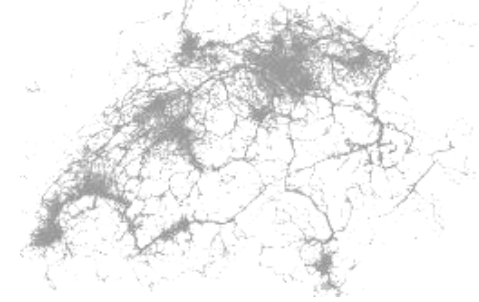
Agglomeration building leads to urban sprawl

- Commuting (better mobility facilities)
- Town expansion

Conceptualisation of Regional Dev. Policies

- Definition of development regions in the mountain areas (micro-regions)
- Economically motivated creation of regions along functional or administrative criteria (top-down)

Agglomeration & regionalisation era (2)



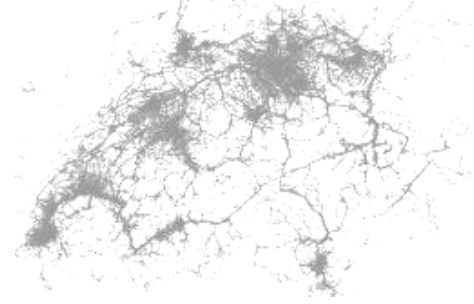
Principles

- Stop the exodus from mountain areas
- Marcoeconomic development
- Decentralised concentration / regional centralisation
- Equal financial participation of cantons

Instruments

- Investment Assistance for Mountain Areas (*IHG*), CHF 1.5 billion (incl. rotational funds) for basic infrastructure
- Area based regional development concepts (*REK 1*)
- Loan assistance for hotels, later also SMEs

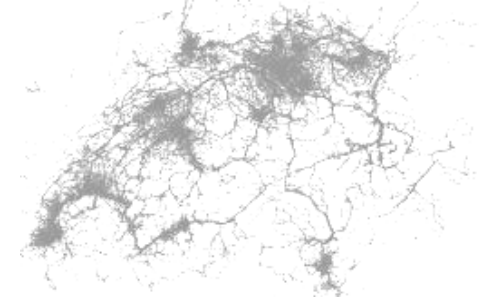
Agglomeration & regionalisation era (3)



Instruments (cont.)

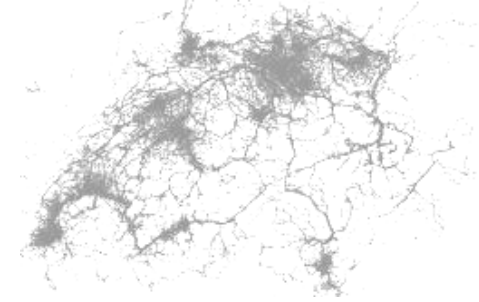
- Regional development secretaries
- Additional legal regulations

Regionalisation era (4): 54 micro-regions (as of 1990)



Agglomeration & regionalisation era (5)

Strengths and weaknesses of policy outcomes

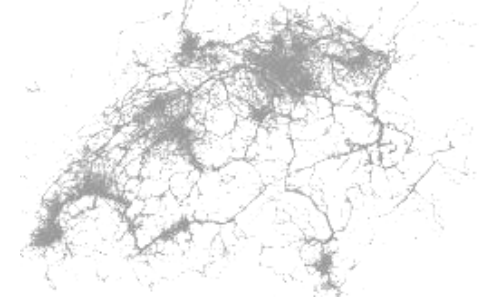


- Significant effects on attractiveness of habitation (housing, leisure time facilities, Infrastructure and transport connection)
- Development of small and middle centres (tourist destinations)
- Effects are analysed thoroughly



- Marginal effect on regional competitiveness
- Location attractiveness (business)
- Job creation and preservation (job exit)
- No broader perspective / too narrow

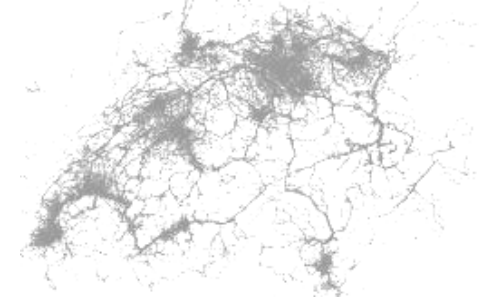
De-industrialisation and partial urban and rural decay (ca. 1980 – 1995)



Background and general development trends:

- **Town drain and peripheral drain**
- **Towns become actors in regional policy**
- **Diversification of regional policy instruments in peripheral regions**

De-industrialisation and partial urban and rural decay (2)



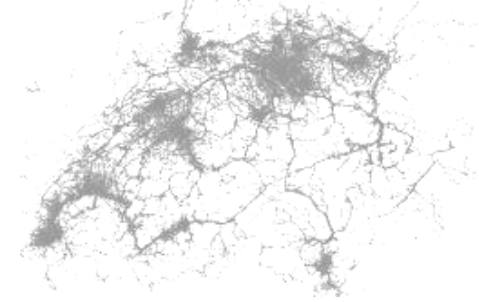
Principles of Regional Development

- Holistic view / intersectoral approach: Economy, culture, ecology, society
- Cross-linking of sectors, with SWOT analysis
- Forward-looking, focus on strategic issues

Instruments

- Same as before, plus
- New Regional Development Concepts 2 (*REK 2*)
- Bonny resolution
- Regio Plus
- Interreg

Urban renaissance and contrasting landscapes (ca. 1995 – 2008)

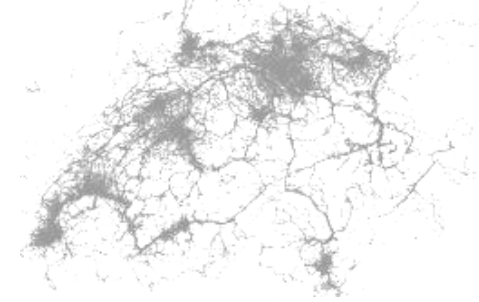


The long way to a **new approach** to regional development policy in Switzerland, 1990-2008

Especially after 2000 the following four development trends emerge:

1. **Renaissance of towns**
2. **Boom in the outskirts of towns**
3. **Nature parks**
4. **Resort projects**

4. The new regional development policy (NRDP) of Switzerland (2006)

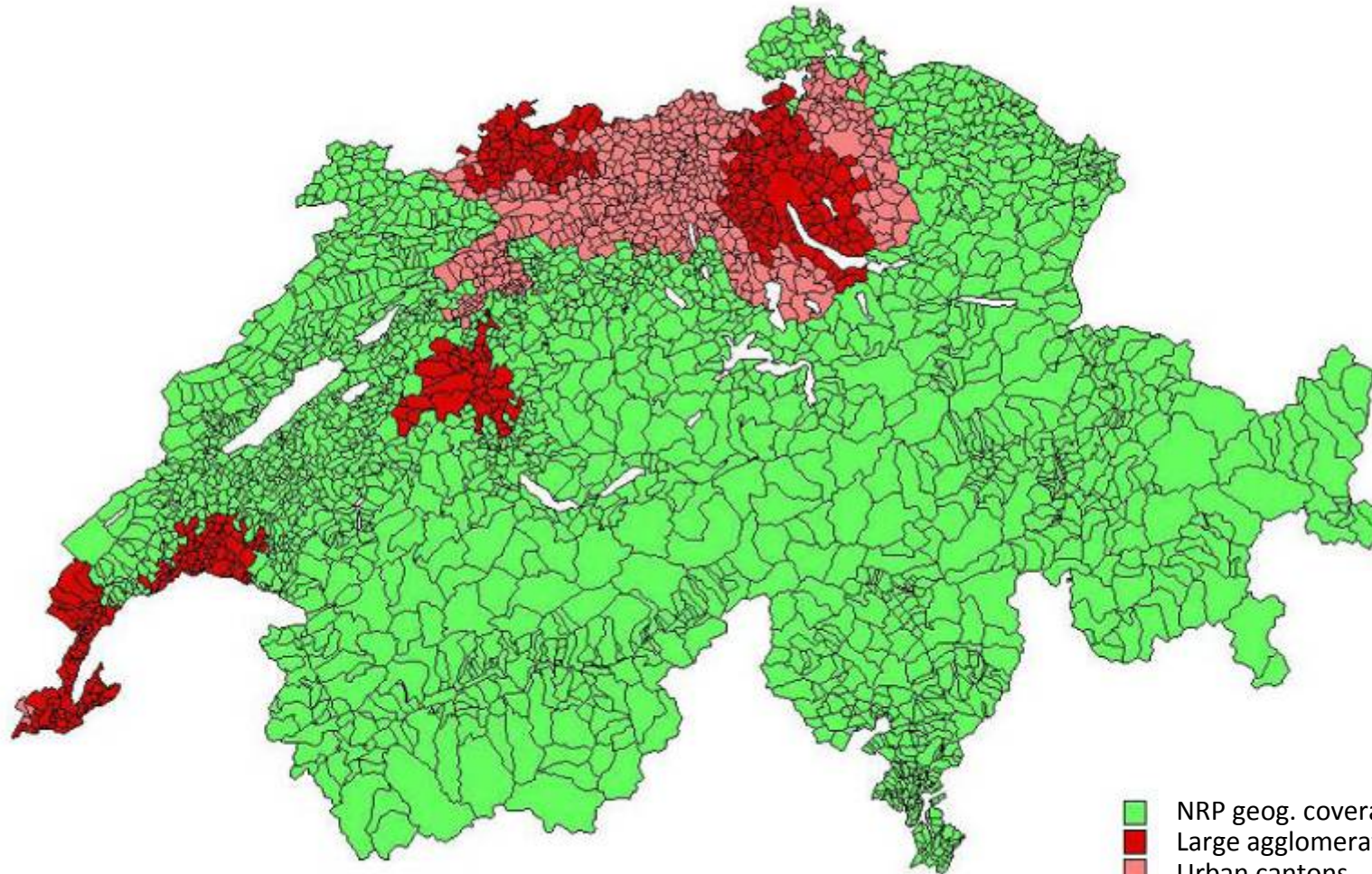
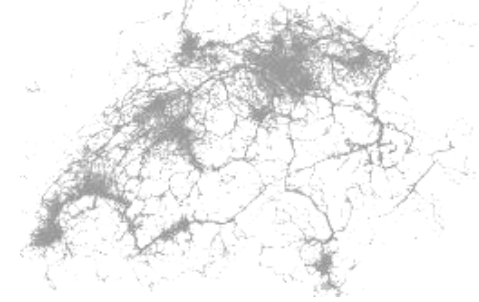


The **NRDP** *focuses* on three fields of activity:

1. Direct promotion to strengthen innovation, added value and competitiveness
2. Cooperation and synergies between regional policy and sectoral policies
3. Knowledge system regional development policy

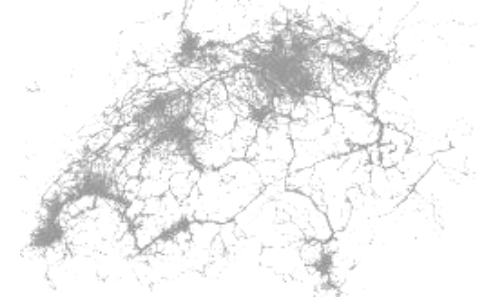
The **geographic area** was considerably expanded

NRDP geographic coverage (mountainous regions and wider rural areas)



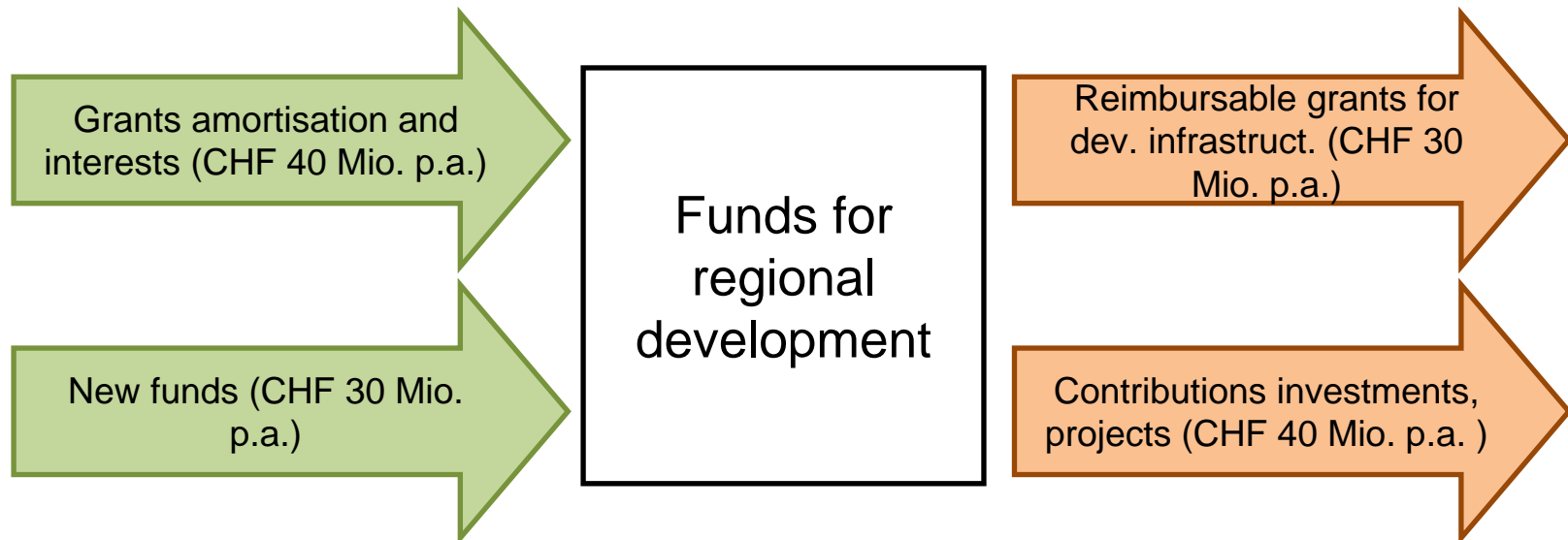
- NRP geog. coverage
- Large agglomerations
- Urban cantons

NRDP instruments(3)

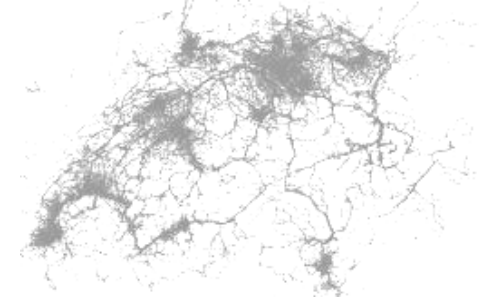


Financial instruments: Fund of CHF 70 Mio. p.a.

- Grants for projects
- Tax reductions (federal tax for private businesses)
- Investments Development infrastructure



5. Overview on phasing: principles, instruments 1950-2008



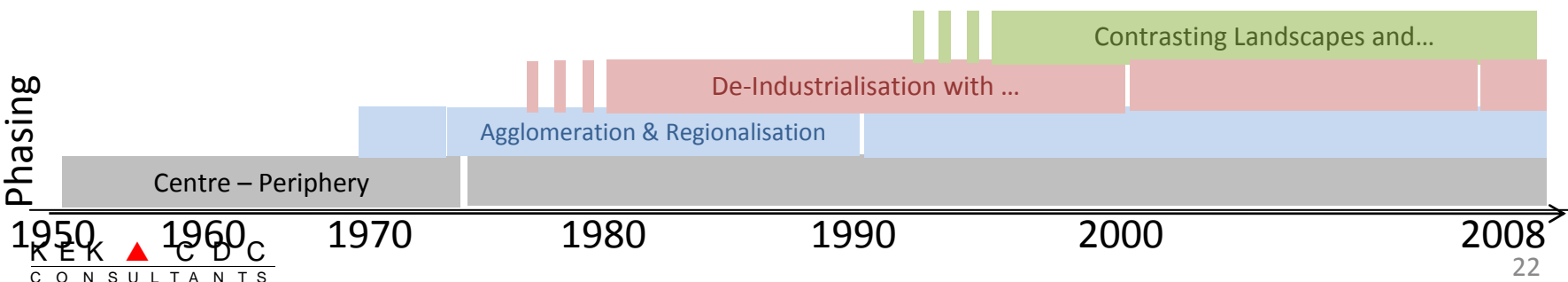
Instruments

- Sectoral policies
- Financial balancing mechanisms
- Basic infrastructure support
- Touristic infrastructure sup.
- Hotel loan assistance
- Guarantees for SMEs
- Regional development secretariates
- Regio Plus
- Bonny resolution
- Interreg I, II, III
- Support for Development infrastructure
- Federal Tax reductions

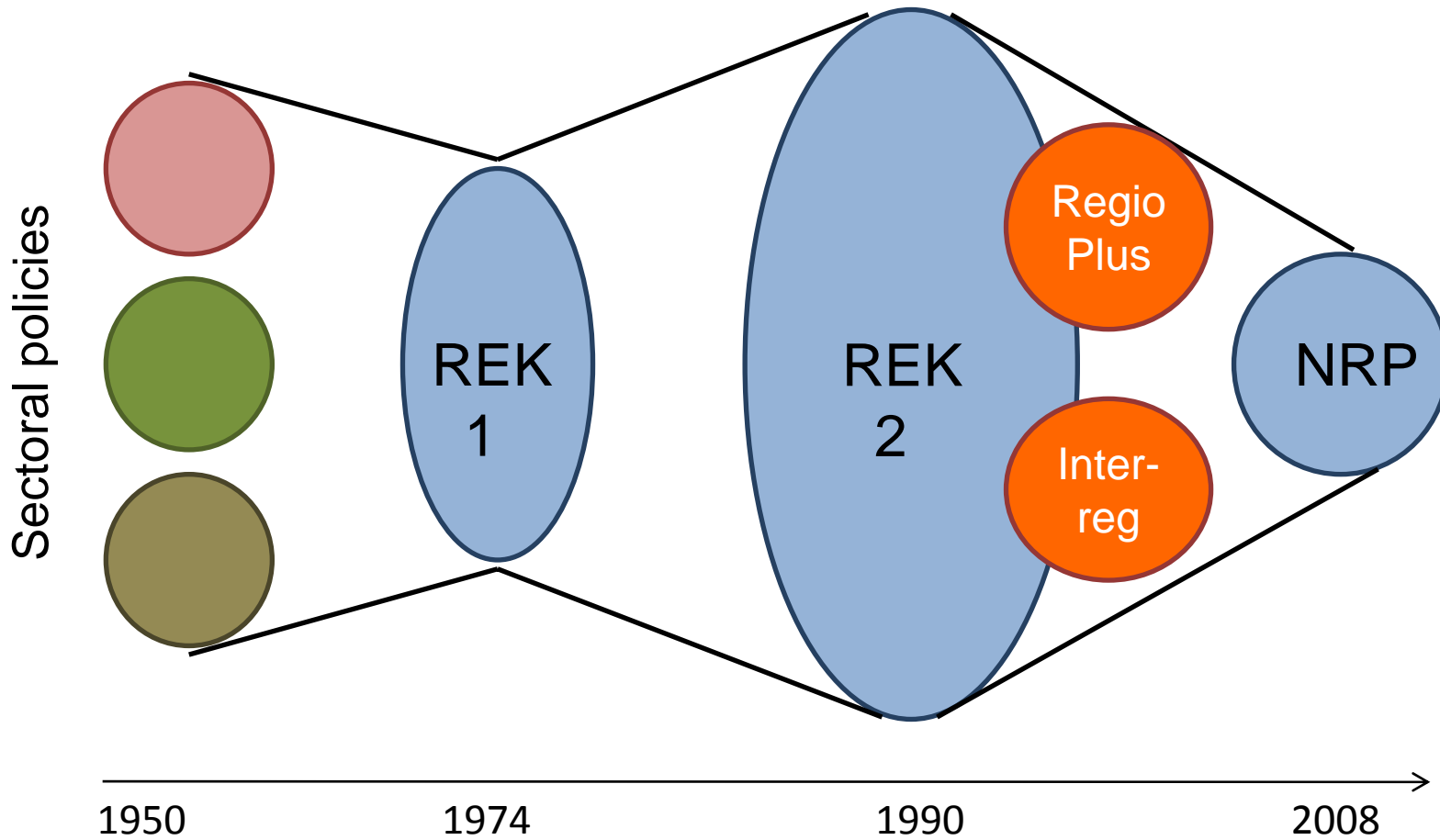
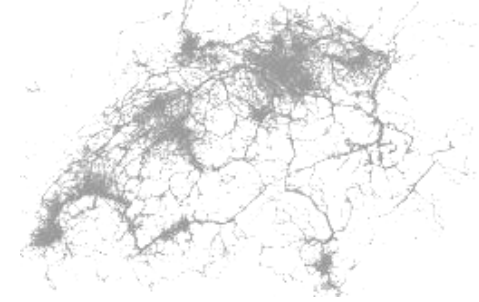
Principles

- Stop exodus from mountainous regions
- Comprehensive Economic Development
- Deconcentrated concentration
- Equal financial participation of cantons
- Stop exodus from mountainous areas
- Cross-sectoral integration (inc. culture, etc.)
- Cross-linking
- Forward-looking
- Focus on strategic issues
- SWOT-Analysis for REK2)
- Competitiveness
- Employment creation
- Strengthening local and regional added value
- Cooperation with sectoral policies

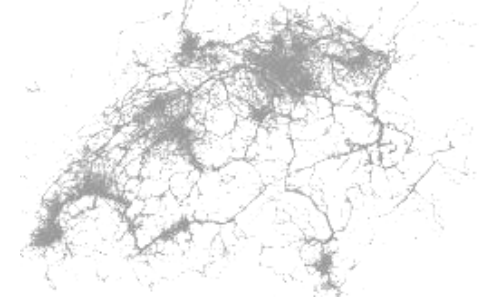
Phasing



Overview Phasing (2): Scope of regional policy instruments over time

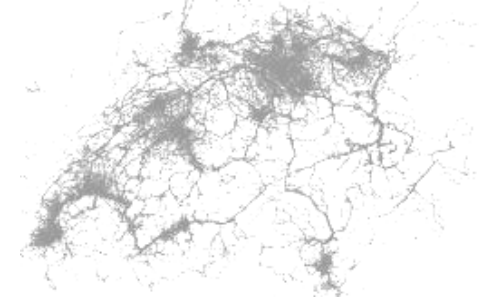


Overview Phasing (3): Challenges ahead



- Can regional development policy foster sectoral coherence?
- Does the merging of communes erode regional identity?
- Can the erosion of employment in structurally weak areas dampened?
- Can the natural parks and resort produce spill-over effects for micro regions?

6. SDCs approach to regional development in the New EU Member States



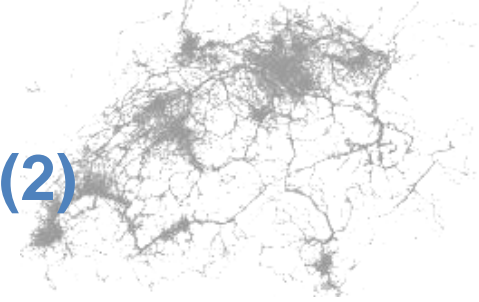
Goal

Reduction of regional disparities in the new member states (HU, PL, CZ, SK)

Core elements

- Micro- / Sub-region is key
- Selection of the micro- / sub-region
- Integrated development strategy with objectives
- Lead-projects

6. SDCs approach to regional development (2)

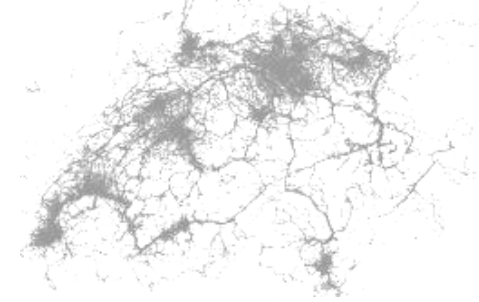


Core elements (cont.)

- Bottom-up approach
- Capacity building
- Regional facilitator
- Complementarity
- Model/paradigmatic projects

This approach was developed on the basis of the so-called “**leader approach**” developed and mainstreamed by the EU for rural development

SDCs approach (3): Comparison with Swiss regional development policies



Similar with REK 2 (90ies)

- Area based strategy
- Bottom-up approach
- Cross sectoral
- Networking
- Facilitator (with sort of local action group)
- Institutional network
- cooperation

Similar with NRP (since 06)

- Promotion of public private partnerships (PPP)
- Facilitating innovation and competitiveness

→ **Swiss Federation fosters lead-projects**