

## 4<sup>th</sup> Regional Development and Governance Symposium: Governance of Social Policy

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Sayın Bakanım, Sayın Başkanım, Değerli Katılımcılar

It is my pleasure to be here today in this important symposium on regional development and governance, with a special focus on social policy.

Nations around the world strive for greater prosperity and growth. As countries develop and economies grow, **some markets and regions grow and develop faster than others**. Development does not bring prosperity everywhere at once.

As a result, **economic concentration leaves out some populations**.

- In Brazil, China and India, **for example**, lagging states have poverty rates more than twice those in dynamic states.
- A billion people in the poorest nations, mostly in Sub-Saharan Africa and South and Central Asia, live on less than 2% of the world's wealth.

### **What are effective policies to achieve more balanced long term growth?**

According to the 2009 World Development Report of the World Bank, **countries can pursue two sets of policies that hold the key to success**:

- (1) they facilitate the concentration of *physical* production; and
- (2) they institute policies to raise *human* capital in disadvantaged regions and make people's living standards – in terms of nutrition, education, health and sanitation – more uniform across space.

**One good example is Malaysia**. Economic growth and government policies in Malaysia have reduced poverty and improved living standards, and Malaysia has made much progress toward meeting Millennium Development Goals.

- In the early years of growth (1970 to '76) poverty rates between different states diverged briefly.
- Then the difference in poverty rates among Malaysian states fell from 60 percent in 1976 to below 20 percent in 2002.
- Also, infant mortality rates declined more in the slower-growing states.

**Similar gains are been achieved in other countries such as China, Egypt, Indonesia, Mexico, Thailand and Vietnam.**

**Turkey, like many countries, has regional discrepancies.** Reducing these discrepancies is an explicit goal in the 9<sup>th</sup> development plan and elsewhere.

Turkey has in place many regionally targeted policies and programs—which will be the subject of much of the discussions during today’s symposium, I expect.

**In these short opening remarks I would like to focus on one important point.**

- Good knowledge of the actual situation and trends is essential for the design of good policies.
- And **good and widely shared regional development data—including on per capita incomes, poverty rates, and social indicators, appropriately disaggregated—are essential for the design and continuous adaptation of good regional development policies.**
- In this respect, investments in improved regional statistical infrastructure will almost certainly pay off, ...
- ... as will the systematic and timely publication of the available regionally broken data, even while they are imperfect and continuously refined.
- In addition, impact assessment of various policies that are implemented will be a valuable source for evidence-based policy making.

In closing, I would like to reiterate the **key messages from the World Development Report on the economics of space and regional development:**

1. Geographically fixed physical investments in disadvantaged regions do not tend to be effective in reducing regional discrepancies.
2. Rather, integration should *begin* with institutions and policies that ensure access to basic services such as **primary education, primary health care, adequate sanitation and clean drinking water for everyone** – hence the utmost importance of “**social policies.**”
3. Later, as integration becomes more difficult, adaptive policies should include roads, railways, airports, harbors and communication systems that facilitate the

*movement* of goods, services, people and ideas locally, nationally and internationally.

I wish you all a very fruitful discussion today. Tesekkur ederim!