

Governance of Social Policy

Ulrich Zachau

World Bank, Country Director for Turkey

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 1976) 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 9th development plan and elsewhere.

T

urkey 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. Tesekkür ederim!