

Organised by:

Orkestra-Basque Institute of Competitiveness
OECD Trento Centre and its Spatial Productivity Lab
The Productivity Institute
Economic Commission for Latin America and the Caribbean (ECLAC)

Institutional local partner:

Government of Bizkaia

From analysis to action: Harnessing local policies to boost productivity

In-person policy conference

SECOND EDITION

15-16 April 2026

Bilbao, Bizkaia (Spain)

EVENT SUMMARY





■ Why this event / Objectives

Productivity underpins economic competitiveness and the achievement of high levels of wellbeing. The key drivers of productivity, such as innovation, skills and infrastructure, are highly place specific, a fact that is reflected in the persistence of regional disparities in economic and social performance.

The implication is clear: **productivity policies require a spatial lens**. Yet this spatial lens is also highly dynamic at a time when places are facing complex challenges related to sustainability transitions, demographic shifts, rapid technological change and a changing geopolitical scenario. In this context there is more need than ever to explore and understand how local policy can navigate these challenges and boost productivity as a route to sustainable wellbeing.

This conference brought together researchers, policymakers, and practitioners to strengthen the evidence base, share lessons, and **bridge analysis with actionable strategies** for effective place-based development.

■ Organisers

Orkestra - Basque Institute of Competitiveness is a research centre for the study of regional competitiveness based at the University of Deusto. Established in 2006, it has an explicit mission to conduct transformative research, working with stakeholders in the Basque Country and internationally to generate tangible improvements in competitiveness and wellbeing.

The **OECD Trento Centre for Local Development** is an integral part of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities and works "from data to practice" to provide strategic advice and capacity building to enhance local policy implementation. Building on the granular analysis of its Spatial Productivity Lab (SPL) and leveraging Trento and other communities as "living labs", the Trento Centre has been developing innovative and effective approaches to local development for over 20 years.

The Productivity Institute is a UK-wide research organisation which aims to pinpoint the causes of the stagnation in UK productivity and focus energies to laying the foundations for a new era of sustained and inclusive productivity growth through interdisciplinary research in collaboration with businesses and policymakers.

The **Economic Commission for Latin America and the Caribbean (ECLAC)** is one of the five regional commissions of the United Nations. It was founded with the purpose of contributing to the economic development of Latin America, coordinating actions directed towards this end, and reinforcing economic ties among countries and with other nations of the world.

ECLAC's participation in this conference is made possible through the support of German Cooperation (BMZ).



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Welcome remarks

The second edition of the international conference *From analysis to action: Harnessing local policies to boost productivity* started with inspiring welcome remarks from **Cristina Múgica** (Director-General of Territorial Competitiveness and Foreign Promotion, Government of Bizkaia, Spain), **Rudiger Ahrend** (Head of Division, Economic Analysis, Data and Statistics Division, OECD Centre for Entrepreneurship, SMEs, Regions and Cities) and **Iván Martén** (President, Orkestra-Basque Institute of Competitiveness, Spain), setting the stage for two days of discussion on how local policies can boost productivity and wellbeing.

The opening messages were clear: productivity challenges require place-based solutions, and stronger connections between global knowledge and local action.



About the speakers



Cristina Múgica Vargas is the Director-General of Territorial Competitiveness and Foreign Promotion at the Government of Bizkaia. She holds degrees in Political Science and Sociology, with master's degrees in Regional Development and Senior Management. Her career includes senior roles in the Basque Public Administration and strategy consulting at LKS Next (Mondragón Corporation). She has led regional development policies, sectoral innovation plans, and sustainability-based revitalization programs for both rural and urban disadvantaged areas.



Rudiger Ahrend is Head of the Economic Analysis, Data and Statistics Division in the OECD Centre for Entrepreneurship, SMEs, Regions, and Cities. He has been supervising numerous projects on regional and urban development, including thematic research on productivity and growth in cities and regions and reviews of economic trends and policies in major metropolitan agglomerations. Prior to his work on regional and urban policies, he has worked as a Senior Economist in the OECD's Economic Department. He has published widely, both in academic journals and newspapers.



Iván Martén is the President of Orkestra and a veteran in strategic consulting with over 30 years of experience. He advises governments and corporations on energy policy, climate transition, and competitiveness. A PhD in Business Administration, he serves as an independent board member and advisor for several international organizations and the Aspen Institute Spain. He is a recognized global speaker on energy and geopolitics, focusing on sustainable and inclusive economic development while strengthening Orkestra's international and regional institutional collaborations.

SESSION 1: Knowledge flows for industrial transformation

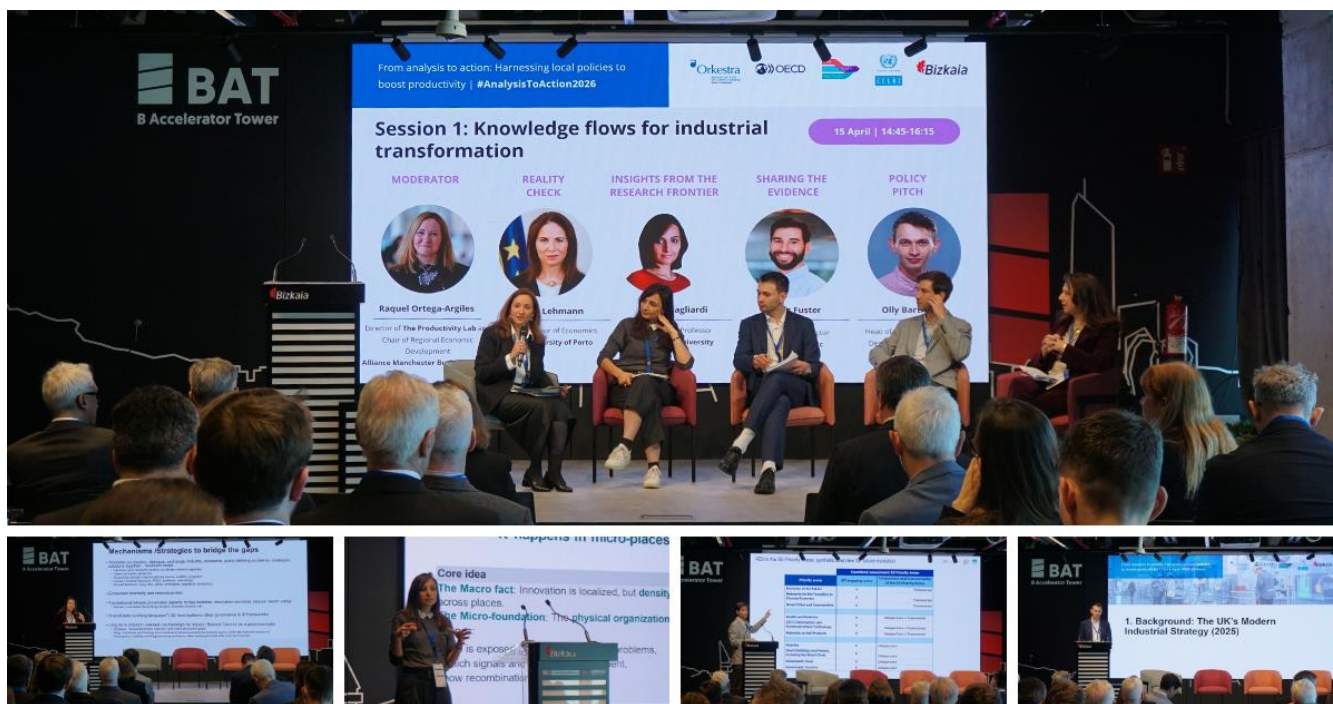
As regions face increasing pressure to transform their industrial bases in response to technological change, sustainability challenges and shifting global dynamics, the role of knowledge flows has become central to productivity growth. This session examined how different forms of knowledge are generated, shared and translated into industrial applications, and how local policies can better support these processes.

Key takeaways from Session 1

Several cross-cutting themes emerged from the session:

- Innovation is systemic and non-linear: Effective policies must move beyond simple “knowledge transfer” models toward co-creation and interaction-based frameworks.
- Place still matters, but differently: What matters is not only location, but the degree of connectivity, embeddedness, and access to diverse knowledge sources.
- Micro-level dynamics are critical: Everyday interactions and local environments shape innovation outcomes in ways often overlooked by traditional analysis.
- Better data and methods are needed: New analytical tools, including AI-based approaches, are essential to understand and guide knowledge flows.
- Policy alignment is key: Coordinated, multi-level strategies that integrate national priorities with local strengths are necessary to translate knowledge into productivity gains.

Overall, the session highlighted that bridging the gap between knowledge generation and industrial transformation requires not only better policies, but also new ways of understanding how innovation actually happens in space, across actors, and over time.



The session, moderated by **Raquel Ortega-Argilés** (Director of The Productivity Lab and Chair of Regional Economic Development at Alliance Manchester Business School, United Kingdom), brought together academic, policy and practitioner perspectives to explore the relationship between knowledge and industrial transformation. A common starting point across interventions was the recognition that traditional views of innovation, particularly linear models linking research to market outcomes, are no longer sufficient to explain how innovation actually occurs in contemporary economies.

Reality Check | Knowledge Flows for Industrial Transformation



Ana Lehmann (Professor of Economics, University of Porto and Former State Secretary for Industry in the Portuguese Government, Portugal) challenged the conventional “knowledge transfer” paradigm, arguing that innovation is not a linear process but a complex, interactive system involving multiple actors and feedback loops. Knowledge is generated across academic, industrial and user-based domains, and each follows distinct logics, time horizons and incentives. However, these differences create structural gaps, including:

- Misaligned incentives between academia and industry;
- Communication barriers and institutional rigidities;
- Limited cross-sector mobility;
- Fragmented governance frameworks.

These gaps result in underutilized research, missed market opportunities and slower innovation dynamics. Addressing them requires a shift toward co-creation models, stronger interfaces between actors, and long-term, mission-oriented partnerships. Digital technologies and platforms were highlighted as key enablers, facilitating collaboration across geographical and institutional boundaries while reinforcing place-based strategies.



Insights from the research frontier | Micro-Geographies of Innovation: The role of urban micro-infrastructure in shaping inventive search and direction



Luisa Gagliardi (Assistant Professor, Bocconi University, Italy) introduced a complementary perspective by focusing on the micro-geography of innovation. Her central claim is that innovation does not primarily occur at the level of firms or cities, but within “micro-places” embedded in everyday life. She distinguished between:

- Work micro-infrastructures (labs, offices), which support coordination and incremental innovation;
- Civic micro-infrastructures (parks, public spaces), which enable informal interactions and exposure to diverse ideas.

Empirical evidence shows that proximity to such spaces does not necessarily increase the quantity of innovation, but significantly affects its direction and disruptiveness. These environments act as “awareness infrastructures,” shaping how problems are identified and recombined into new solutions. This perspective highlights that innovation is not only driven by formal systems, but also by social interactions and spatial design, raising important implications for urban planning and inclusive access to innovation opportunities.

Sharing the evidence | Illustrative case studies: Bridging the gap between research and (R&I) policy



Enric Fuster (Consulting Director, Siris Academic, Spain) focused on how to bridge the gap between research and policy through data-driven approaches. Using AI-based scientometric methods, his work maps knowledge ecosystems and links publications, patents, projects and collaborations to policy priorities. Case studies (e.g. Slovenia’s smart specialization strategy) illustrate how these tools can:

- Identify thematic specializations and gaps;
- Map actor networks and collaboration patterns;
- Align research activities with socio-economic objectives.

This approach supports more informed policy design, enabling governments to move beyond static indicators and better understand how knowledge flows translate into economic impact. At the same time, he noted growing challenges, including increasing expectations on R&I systems and declining academic funding, which constrain the capacity to sustain these processes.

Policy pitch | Embedding place into the UK’s Modern Industrial Strategy



From a policy perspective, **Olly Bartrum** (Head of Industrial Analysis, Department for Business and Trade, UK Government, United Kingdom) presented the UK’s Modern Industrial Strategy, emphasizing the need to integrate place-based considerations into national policy frameworks from the outset. A key insight is that productivity challenges are inherently spatial: regional disparities in productivity significantly constrain national growth. As a result, effective industrial strategies must:

- Identify high-potential clusters and city-regions;
- Align sectoral and territorial priorities;
- Combine national frameworks with locally tailored interventions.



The UK approach combines traditional data with novel sources to map emerging clusters and guide investment decisions. Programmes such as the Local Innovation Partnerships Fund aim to strengthen local ecosystems while ensuring coordination with national objectives.

About the speakers



Raquel Ortega-Argiles holds the Chair of Regional Economic Development at the Alliance Manchester Business School, The University of Manchester, where she manages The Productivity Institute's Productivity Laboratory and the Data Visualisation Observatory. Her expertise includes applied economics, innovation, and regional development. With an outstanding academic track record and multiple international awards, she is an editor for journals like *Regional Studies*. Raquel also serves as a policy advisor to major institutions, including the European Commission, the European Parliament, the OECD, the EIB, and several national governments.



Ana Lehmann has 30 years of experience in academia, consultancy, and public policy, specializing in competitiveness, FDI, and digital transformation. Former State Secretary for Industry in Portugal and Vice-President of CCDR-N, she is currently Chair of the EIBA Board. Ana is a Professor at University of Porto and serves on the boards of The Navigator Company, TAP Air Portugal, and FC Porto SAD, among others. She is also a researcher, editor, and advisor for organizations like Orkestra-Basque Institute of Competitiveness and the Confederation of Portuguese Industry.



Luisa Gagliardi is an Assistant Professor at Bocconi University and a research affiliate at ICRIOS and GREEN. Her research explores how geography and individual backgrounds—rooted in family and socioeconomic conditions—shape innovation, entrepreneurship, and career choices. Using large-scale microdata and experimental designs, she studies the impact of these factors on organizational performance. Her work is featured in the *Strategic Management Journal* and *Organization Science*, and she serves on the Editorial Review Board of the latter.



Enric Fuster, Consulting Director at SIRIS Academic, leads strategic projects on knowledge valorization, university-industry cooperation, and smart specialization including entrepreneurial discovery process and RIS3 monitoring platforms. He has directed the development of regional monitoring tools across Europe. Recent projects include RIS3 monitoring systems for Catalonia and Emilia-Romagna; strategic, operational and evaluation support for the Slovenian S5 strategy; S3 and SDG mapping for the European Commission's Joint Research Centre, and innovation strategy and policy work for several universities, regions and national governments across Europe.



Olly Bartrum leads economic analysis supporting the development and implementation of UK's new Industrial Strategy in the Department for Business and Trade, focussing in particular on the place-based and horizontal elements of industrial policy. He has previously worked as an economist in HM Treasury and the Institute for Government, a think tank.

SESSION 2: Skills ecosystems in the AI era

As artificial intelligence and broader digital technologies reshape production systems, the role of skills is undergoing a profound transformation. This session explored how AI is changing the nature of work, how regions can build resilient skills ecosystems, and what policy responses are needed to ensure inclusive and productivity-enhancing outcomes.

Key takeaways from Session 2

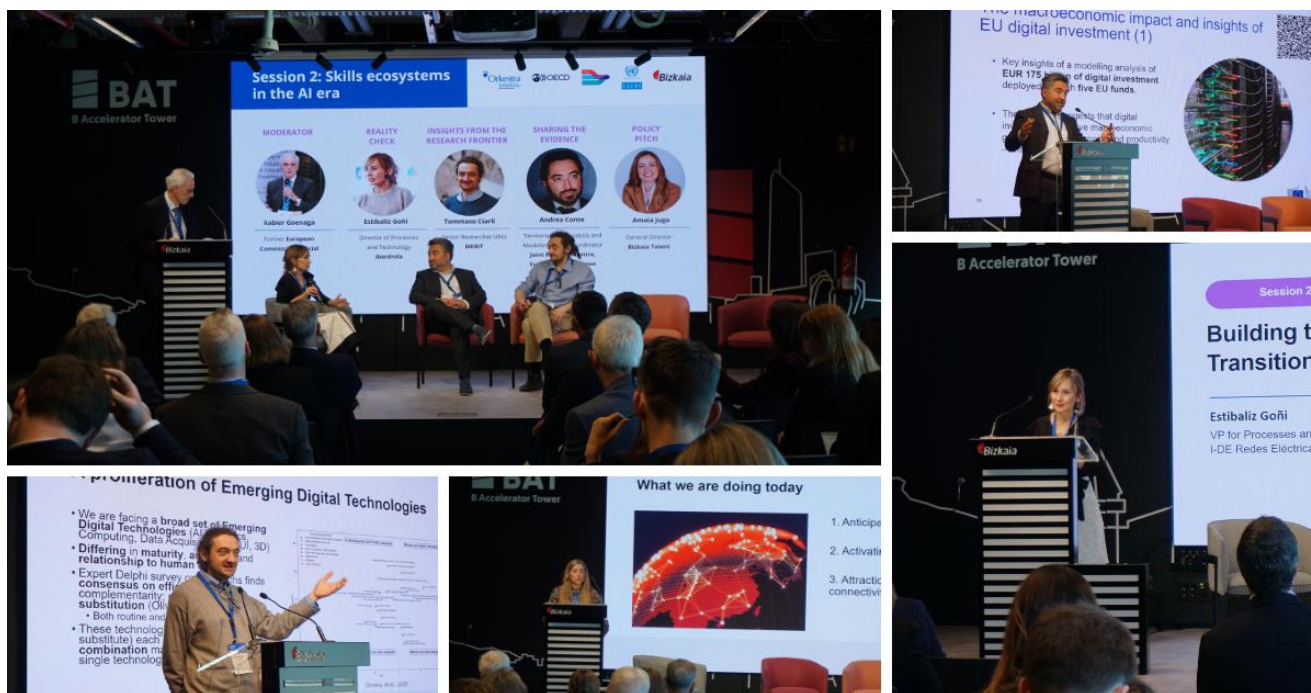
The session highlighted several overarching insights:

- AI is not a single technology: Impact depends on how different technologies interact with skills, tasks and contexts.
- Labour market effects are heterogeneous: Aggregate gains can mask significant distributional challenges across workers and regions.
- Skills ecosystems matter more than individual skills: Complementarities between capabilities, institutions and firms shape regional outcomes.
- Place-based approaches are essential: Regions differ in readiness, requiring tailored strategies to avoid widening inequalities.
- Policy must go beyond training: Effective responses combine education, labour market policies, industrial strategy and innovation systems.

Ultimately, the session underscored that the AI transition is as much about people and place-based ecosystems as it is about technology. Building adaptive, inclusive and forward-looking skills ecosystems will be critical to translating technological change into sustained productivity growth.

FROM ANALYSIS TO ACTION: HARNESSING LOCAL POLICIES TO BOOST PRODUCTIVITY

15-16 April 2026 | Bilbao, Bizkaia (Spain)



Moderated by **Xabier Goenaga** (Former European Commission Official), the session combined perspectives from industry, academia and policy to examine the interaction between technological change and labour markets. A central premise was that the AI transition is not only a technological shift but a systemic transformation affecting skills, institutions and regional development trajectories.

Reality Check | Building the Digital Workforce for the Energy Transition: The Smart Grids Academy



Estibaliz Goñi (Director of Processes and Technology, Iberdrola, Spain) provided an industry perspective through the case of Iberdrola, emphasizing that digitalisation, and especially smart grids, is fundamentally a people-driven transformation. Rather than starting from technology, the company redesigns processes end-to-end, embedding AI in ways that enhance scalability, efficiency and resilience.

A key initiative is the Smart Grids Academy, a public-private partnership aimed at accelerating the development of digital skills tailored to the energy sector. Its approach combines:

- Applied, practice-based learning (“learning by doing”);
- Collaboration between firms, universities and research centres;
- A focus on both technical and digital capabilities.

Beyond workforce development, the initiative positions the region as a hub for green and digital talent, highlighting how skills policies can also serve territorial competitiveness objectives.

Insights from the research frontier | Skills in the Age of AI: What the Research Tells Us, and What it Does not



Tommaso Ciarli (Senior Researcher UNU-MERIT, Netherlands) addressed the growing debate on the impact of AI on jobs, highlighting the high degree of uncertainty and heterogeneity in existing evidence. While



estimates of AI exposure vary widely, the key finding is that labour market effects depend on the interaction between technologies, workers and contexts. Empirical research suggests:

- Overall employment effects of emerging technologies tend to be positive but uneven;
- Low- and mid-skilled workers face both risks (automation) and opportunities (task upgrading);
- High-skilled workers are more exposed but also better positioned to benefit.

Importantly, productivity gains from AI are not uniform. While less experienced workers may see significant improvements in simple tasks, more complex activities still depend heavily on expertise. This raises concerns about de-skilling, particularly if AI substitutes entry-level learning processes.

A critical insight is that skills do not operate in isolation. The value of AI-related skills depends on their combination with domain expertise, forming “skill bundles” that shape both individual productivity and regional competitiveness.

Sharing the evidence | The impact of EU digital and AI-related investments



Andrea Conte (Territorial Data Analysis and Modelling Team Coordinator, Joint Research Centre, European Commission) presented evidence on the impact of EU digital and AI-related investments, showing that such investments generate positive effects on productivity, employment and economic growth, albeit with strong territorial heterogeneity. Key findings include:

- Digital investments yield long-term gains across all Member States;
- Countries with lower initial levels of digitalisation tend to experience larger absolute gains;
- More advanced regions often achieve higher returns (multipliers), reflecting stronger absorptive capacity.

AI-related investments show particularly strong short-term impacts, with no inherent trade-off between productivity and employment growth. However, diminishing returns and uneven distribution of benefits highlight the importance of careful policy design.

Policy pitch | From talent shortage to competitive advantage: The Bizkaia model in the age of AI



Amaia Jugo (General Director, Bizkaia Talent, Spain) presented the case of Bizkaia, illustrating how regions can move from addressing talent shortages to building integrated talent ecosystems. The evolution of the Bizkaia model reflects a shift:

- From isolated initiatives to a systemic, long-term strategy;
- From talent attraction to a broader ecosystem approach;
- From programmes to coordinated frameworks involving multiple stakeholders.

The “Bizkaia with the Talent” initiative exemplifies this approach, leveraging strong public-private collaboration to undertake early-stage STEM promotion, reskilling and upskilling, and international talent attraction and retention. A key lesson is that there is no single solution: effective talent strategies require coordination across education, labour markets, and business needs, with particular attention to SMEs and continuous adaptation through experimentation.



About the speakers



Xabier Goenaga holds a PhD in chemical engineering and an MA in Public Administration. He spent much of his career at the European Commission, where he led management positions focused on R&D priorities, funding instruments (ERC, SMEs), and economic impact models like RHOMOLO. A key contributor to smart specialization strategies and regional innovation partnerships, he also led industrial performance assessments of the EU, US, and China. After retiring from the Commission in 2023, he currently works as a consultant.



Estibaliz Goñi is a senior professional at Iberdrola, currently leading the Processes and Technology Division at i-DE. With extensive experience in energy networks, she specializes in technical processes, smart grids, and innovation. Her career includes leadership roles at AVANGRID in the U.S. and contributions to the Global Smart Grids Innovation Hub. She has also worked in consulting and has taught postgraduate programs at the University of Deusto. Her work focuses on the intersection of technical quality, environmental management, and electrical network innovation.



Tommaso Ciarli is a Senior Research Fellow at UNU-MERIT and SPRU, University of Sussex. He researches how innovation and emerging technologies drive employment, inequality, and sustainable development using quantitative and computational methods. He has led international projects for over 25 organizations and has published extensively in science policy and ecological economics. An advisor to the UN, EU, and various Development Banks, he holds a PhD in Economics from the Universities of Birmingham and Ferrara.



Andrea Conte is Head of the Territorial Economic Data, Analysis and Modelling (TEDAM) team at the Joint Research Centre of the European Commission since 2016. Holding a PhD in Economics, he has held research fellowships at the Max Planck Institute, ISTAT, and ILO. After joining the European Commission in 2008 within DG ECFIN, he transitioned to the JRC's Growth and Innovation directorate. A specialist in public finance, innovation, and regional policy, he has authored numerous articles and policy notes on economic modeling and territorial analysis.



Amaia Jugo is the Managing Director of Bizkaia Talent, where she leads strategies to attract and retain talent to strengthen the region's business and scientific ecosystem. With a background in quantitative economics, she spent 15 years at ELKARGI in senior leadership roles before serving as Managing Director of Fundación Artizarra. Her work focuses on fostering collaboration between universities, companies, and institutions to drive sustainable growth and regional competitiveness through strategic partnerships and innovation.



Institutional address: Bizkaia's long-term investment strategy

The second day opened with an institutional address by **Ainara Basurko** (Deputy for Economic Development, Government of Bizkaia, Spain), who emphasised the importance of long-term strategies for economic development. The core idea of her intervention was that productivity serves as the primary structural element of competitiveness. She highlighted that for a region to maintain sustainable competitiveness, it must systematically increase its productivity rather than relying on low costs.

To drive productivity growth, Bizkaia leverages its human and technological capital, as well as a strong business ecosystem where industry and advanced services account for 38% of Gross Value Added. The region is characterized by high levels of education, with nearly 80% of the population having completed upper secondary or tertiary studies, and economic resilience that has successfully improved income indicators without generating greater inequalities. She highlighted key initiatives in strategic sectors such as energy, automotive, aerospace and supercomputing, alongside cross-cutting talent and territorial cohesion strategies such as Bizkaia with the Talent and Bizkaia Orekan Sakonduz.



About the speaker



Ainara Basurko is the Deputy for Economic Promotion of the Government of Bizkaia, a role she has held since 2019. With a degree in Law (Legal-Economic specialty) from the University of Deusto and an MBA, she is an expert in business competitiveness and regional development. Her career includes roles as a strategy consultant at LKS and General Director of the Azaro Foundation and the Lea Artibai Development Agency. She also served as General Director of BEAZ and has taught economics and business strategy at the University of Deusto.



SESSION 3: A long-term vision for investing in people, firms and places (Policy Panel)

In a context marked by overlapping financial, geopolitical and structural crises, the challenge for policymakers is not only to respond in the short term, but to sustain long-term strategies for productivity and inclusion. This policy panel explored how to navigate these tensions, focusing on strategic direction, investment choices and the role of institutions.

Key takeaways from Session 3

Overall, the session highlighted that sustaining productivity growth in uncertain times requires not only resources, but also strong institutions, adaptive governance and a clear strategic vision capable of aligning people, firms and places over the long term.

- Strategy is the anchor in times of crisis: Clear long-term direction is essential to guide short-term responses.
- Context matters: Structural conditions, such as inequality and institutional capacity, shape what is feasible.
- Policy processes are critical: Inclusive, participatory approaches enhance legitimacy and effectiveness.
- Infrastructure goes beyond the physical: Digital gaps and trust between actors are central to productivity.
- Capacity building is a priority: Networks, learning platforms, and local institutions are key enablers.
- Investment requires precision: The impact of funding depends on strategic allocation and governance.

The discussion was structured around two guiding questions posed by moderator **Mari Jose Aranguren** (Vice-Rector for the San Sebastian campus and Institutional Relations, University of Deusto, Spain).



1. How can policymakers respond to successive crises while maintaining a long-term vision?

A central point emerging from the debate is that strategy becomes even more critical in times of uncertainty. As **Christian Ketels** (Lead Economist, Competitiveness Unit, World Bank) argued, crises should not lead to reactive policymaking, but rather reinforce the need to clarify where regions aim to compete and translate this into concrete action agendas. Strategy should provide the anchor that allows short-term responses to remain aligned with long-term objectives.

However, as **Marco Dini** (Head of Governance and Territorial Productive Development Unit, United Nations Economic Commission for Latin America and the Caribbean) highlighted, the feasibility of long-term strategies depends heavily on context. Drawing on the experience of Latin America, he described a landscape characterized by low-growth and low-productivity traps, persistent inequality and high levels of poverty. In such settings, asking societies to prioritize long-term goals without addressing immediate needs is politically and socially challenging.

This leads to a critical insight: The process of policymaking is not neutral. Effective strategies require rethinking how policies are designed, moving from top-down solutions to more participatory approaches where stakeholders become active contributors. This implies a shift in the role of policymakers, from solution providers to facilitators of collective processes, capable of building consensus and legitimacy. In this realm, it is important to develop capacities at the local level.

Karen Maguire (Senior Counsellor for Strategic Coherence, OECD Centre for Entrepreneurship, SMEs, Regions and Cities) expanded the discussion by emphasizing the importance of navigating uncertainty through better anticipation tools. Policymakers must distinguish between what is known, what is unknown, and what is unknowable, using foresight exercises and scenario analysis to explore alternative futures. She also stressed the need to find new ways to look at data and explore the possibilities that non-traditional data offer. At the same time, she highlighted that long-term productivity is deeply shaped by structural factors, particularly infrastructure. This includes:

- Physical infrastructure, which conditions long-term development paths;
- Digital infrastructure, where significant territorial gaps persist;
- Social and institutional infrastructure, such as trust and connectivity between actors.



Trust, in particular, emerged as a key enabler. Without it, citizens and firms are less likely to engage with policies or believe in strategic visions. In this sense, infrastructure is not only about assets, but also about relationships and institutional quality.

Stefan Appel (Head of European Semester and Economic Analysis Unit, DG REGIO, European Commission) complemented this perspective by highlighting the tension between long-term strategies and short-term constraints, particularly in the use of public funding. While strategic frameworks are essential, their effectiveness depends on the ability to align them with available financial instruments and to ensure continuity over time. This requires difficult choices: prioritizing sectors, territories or interventions, and ensuring that resources are directed toward clearly defined objectives. From an EU Cohesion Policy perspective this implies the involvement of regional stakeholders.

2. How do institutions operationalize their strategies, and what concrete examples of investment decisions illustrate this?

From a European Commission perspective, **Stefan Appel** explained that investment decisions are framed within the Multiannual Financial Framework and cohesion policy, which set priorities such as the green and digital transitions. However, within these frameworks, the key challenge remains allocation: ensuring that funding is directed toward the right priorities and used effectively.

Karen Maguire illustrated this with the work of the OECD Spatial Productivity Lab, where regions develop shared diagnostic tools such as local productivity boards to better understand their specific challenges. These processes often reveal that even neighboring regions face very different issues, reinforcing the need for tailored strategies. Moreover, creating public forums for debate allows policymakers to maintain focus and adapt strategies over time. A key takeaway is that competitiveness and social cohesion are not competing objectives, but mutually reinforcing dimensions of development.

Marco Dini provided further examples of how to operationalize long-term strategies in resource-constrained environments. In the context of limited funding, Latin American initiatives have focused on:

- Generating data and evidence;
- Providing technical assistance and training;
- Building networks of subnational governments.

The networks function as platforms for peer learning and exchange of good practices, enabling local governments to strengthen their role as active agents of development policy. Importantly, this approach recognizes that capacity building is not only about skills, but also about creating spaces for collaboration and collective learning. Similarly, the creation of communities of practice and structured work plans allows regions to experiment, adapt and gradually build more effective policy frameworks.

Christian Ketels reinforced this point by stressing the importance of learning from past experiences to understand what has worked and what has not worked, and relying on institutions such as competitiveness institutes or planning agencies to provide continuity and strategic guidance.

A final key insight concerns the need for precision in investment decisions. As illustrated by Ketels through international examples, large-scale funding such as infrastructure loans can have limited impact if they are not accompanied by clear strategic direction. Investment must be guided by a detailed understanding of local constraints and opportunities, rather than broad or generic objectives. This reinforces a broader conclusion: Effective investment is not only about mobilizing resources, but about directing them with purpose, supported by strong governance and institutional capacity.



About the speakers



Mari Jose Aranguren is the Vice-Rector for the San Sebastian campus and Institutional Relations at the University of Deusto. A former General Director of Orkestra, she is a recognized expert in territorial strategy, clusters, and policy evaluation. Her career was honoured with a special recognition from Harvard's Institute of Strategy and Competitiveness in 2016. She has led numerous international research projects and served as an advisor to the European Commission for the Horizon 2020 programme, focusing on inclusive and innovative societies and spreading excellence across Europe.



Karen Maguire is a Senior Counsellor at the OECD's Centre for Entrepreneurship, SMEs, Regions and Cities. With over 20 years at the OECD, she has managed the Local Employment and Economic Development (LEED) Programme and specialized in regional innovation. Before the OECD, she worked as a public finance banker for UBS in New York and as a research analyst for the Urban Institute in Washington, DC. She holds an MPP from Harvard Kennedy School and a BA in economics and sociology from the University of Chicago.



Christian Ketels Lead Economist in the Competitiveness Unit at the World Bank. He spent over 20 years at Harvard Business School working with Professor Michael Porter. Currently, he serves as Senior Advisor at the Stockholm School of Economics, Chief Economist at the BCG Henderson Institute, and is a member of Orkestra's Scientific Advisory Board. Dr. Ketels is a globally recognized expert in clusters and economic policy, having advised governments and international organizations on long-term growth strategies and value chains.



Marco Dini holds a degree in Political Science and a DEA in Economics. He has worked in Latin America for over 30 years, specializing in the design and evaluation of development programs for the productive sector. His expertise focuses on territorial economic development, clusters, and business networks. Since 2013, he has served as an Economic Affairs Officer at ECLAC (UN), where he currently coordinates the territorial productive development and governance area.



Stefan Appel works in the European Commission's DG REGIO, focusing on reducing regional disparities. His unit coordinates contributions to the European Semester and provides economic analysis for regional and urban policies. A German-trained economist with experience in the banking sector and the German Ministry for Economy, Stefan has served in various departments and functions within the European Commission for the last 28 years.



SESSION 4: Leveraging environmental sustainability and energy transition to drive local productivity

As regions accelerate the transition toward more sustainable economic models, the challenge of reconciling environmental objectives with productivity growth is central. This session explored how climate adaptation, green skills, labour market dynamics and regional industrial strategies interact to shape place-based

Key takeaways from Session 4

Overall, the session highlighted that leveraging environmental sustainability for productivity growth requires moving beyond isolated policies toward systemic, place-based transformations that integrate adaptation, skills, labour markets and industrial development.

- Adaptation is as important as mitigation: Climate resilience requires transformative, not incremental, approaches.
- The green transition is uneven: Its impacts vary across regions, sectors and workers, requiring differentiated responses.
- Skills are embedded in systems: The value of green skills depends on their combination with broader capabilities.
- Place matters for labour transitions: Local labour market conditions constrain and shape adjustment pathways.
- Integrated strategies are essential: Successful regions align infrastructure, skills and industrial policy.

pathways toward sustainable productivity.

Moderated by **Zuzana Zavorska** (Economist, OECD Spatial Productivity Lab), the session combined conceptual, empirical and policy perspectives to examine the economic implications of the green transition, with a particular focus on territorial heterogeneity and the need for integrated approaches. A key starting point was that the green transition is not a linear shift from “brown” to “green” systems, but a complex transformation involving trade-offs, complementarities and uneven impacts across regions, sectors and workers.

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Reality Check | Better Climate Change Adaptation through Transformative Innovation: Enabling Conditions and Future Perspectives



Richard Harding and **Claire Nauwelaers** (Independent consultants, Belgium) reframed the debate by shifting attention from climate change mitigation to climate change adaptation (CCA). Their central argument is that, even under ambitious decarbonisation scenarios, adaptation is unavoidable and increasingly urgent. However, current approaches remain largely incremental and insufficient.

Richard and Claire advocated for “transformative adaptation”, requiring fundamental changes in economic structures, governance and innovation systems. Drawing on comparative case studies across European regions, they identified enabling conditions for effective adaptation, including:

- Strong awareness and shared understanding of climate risks;
- Clear directionality and political leadership;
- Deep stakeholder engagement;
- Cross-sector integration of policies;
- Multi-level governance coordination;
- The ability to experiment and scale solutions;

A key insight is that climate risks and returns are highly place-specific, and that adaptation policies must therefore be embedded in territorial strategies. The Dutch case was highlighted as a rare example of truly transformative adaptation, driven by long-term vision, strong institutions and sustained investment.

Insights from the research frontier | Green transition, skills and jobs: Insights for regions, firms and people



From a research perspective, **Alberto Marzucchi** (Associate Professor of Applied Economics, Gran Sasso Science Institute, Italy) examined how the green transition reshapes labour markets, emphasizing that its impacts are heterogeneous and multi-dimensional. Rather than focusing solely on “green jobs,” his work highlights:



- The importance of skill bundles, combining green and non-green capabilities;
- The role of jobs as indicators of technology adoption;
- The existence of both winners and losers across regions, firms and workers.

Empirical evidence suggests that:

- Green hiring does not automatically translate into productivity gains, particularly at the margin;
- More substantial and sustained investments, especially in technical roles, are required to generate firm-level benefits;
- Green jobs are associated with higher levels of job meaningfulness, particularly in contexts with strong environmental norms.

This perspective challenges simplistic narratives of the green transition, showing that its success depends on how skills are combined, deployed and embedded within production systems.

Sharing the evidence | The role of skills and geography in career change for the green transition



Carlo Menon (Manager, OECD Spatial Productivity Lab) focused on the geography of labour market transitions, highlighting a critical mismatch: declining (vulnerable) jobs and emerging green opportunities do not necessarily occur in the same places or involve the same workers. His analysis shows that:

- Transitions from vulnerable to green jobs are relatively limited;
- Local labour markets often offer very few alternative opportunities for affected workers;
- Mobility constraints make place-based dynamics central to understanding labour market adjustment.

At the same time, there are important complementarities and many vulnerable and green jobs share overlapping skill requirements. Moreover, key gaps lie in both technical and soft skills, and these gaps are relatively consistent across regions, suggesting clear priorities for training policies.

The main implication is that successful transitions require fine-grained, place-based labour market intelligence, capable of identifying realistic career pathways and aligning training systems with local demand.

Policy pitch | Deep dive Emsland Region: Building Green Industry



From a policy perspective, **Tim Husmann** (Managing Director, Energy Hub Emsland, Germany) presented the case of the Emsland region, illustrating how regions can operationalize the green transition through integrated industrial strategies. Emsland's approach centers on the development of a hydrogen-based industrial ecosystem, combining:

- Infrastructure investments (e.g. pipelines and energy systems);
- Industrial transformation of fossil-based sectors;
- Collaboration between firms, research institutions and public authorities;
- Targeted skills development initiatives.

The region's designation as a "Hydrogen Valley" reflects a broader strategy to position itself as a hub for net-zero technologies, supported by coordinated investments and governance mechanisms. A key feature of this approach is the integration of industrial policy, skills development and innovation ecosystems, demonstrating how the green transition can become a driver of regional competitiveness when supported by coherent, place-based strategies.



About the speakers



Zuzana Zavorska is an Economist at the OECD Spatial Productivity Lab, analyzing industrial development and global value chains. She uses quantitative methods to support subnational productivity policies. Previously, she was an Economist at the Vienna Institute for International Economic Studies (wiiw) and an Advisor to the Government Office of the Slovak Republic. She holds an MPhil from the University of Cambridge and an MA from the University of Edinburgh.



Richard Harding is an independent expert with 36 years of experience in EU Cohesion Policy, including 8 years at DG Regio. He specializes in sustainable urban development and the role of Smart Specialisation Strategies in the green transition. In 2023, he served as a senior adviser for the EU Mission '100 Climate-neutral and Smart Cities by 2030'. Recently, he co-authored several EC studies on how transformative innovation can improve climate change adaptation across European territories.



Claire Nauwelaers is an economist with over 30 years of experience in innovation and territorial development. A former Senior Policy Analyst at the OECD, she has led research at the universities of Maastricht and Louvain. She is a leading expert on Smart Specialisation and innovation-led green transitions, advising the European Commission and various national authorities. She has published extensively on policy design and place-based strategies for research and technology.



Alberto Marzucchi is an Associate Professor of Applied Economics at the Gran Sasso Science Institute (GSSI). Previously, he held positions at SPRU (University of Sussex) and the Catholic University of Milan. His research focuses on sustainable innovation, technological change, and employment, supported by grants from Horizon Europe and the UK ESRC. He holds a PhD from the University of Trento and has extensive experience teaching innovation economics and quantitative methods.



Carlo Menon is the Manager of the OECD Spatial Productivity Lab (SPL) with over 15 years of experience in regional economics, business dynamics, and policy evaluation. Since joining the OECD in 2011, he has also worked at the Bank of Italy and Laterite in Rwanda. His research is published in journals such as *Economic Policy* and the *Journal of Economic Geography*. He holds a PhD from the London School of Economics and degrees from the University of Venice.



Tim Husmann is Managing Director of Energy Hub Emsland Development and Head of the H2-Region Emsland, a leading initiative in Germany's hydrogen economy. Holding a PhD in Physics, he has extensive experience in energy innovation and strategic project management. Tim has been key in fostering collaboration between industry and research to advance sustainable energy solutions. His work focuses on enabling large-scale hydrogen projects and strengthening regional ecosystems for decarbonization. He currently leads efforts to position Emsland as a European hub for hydrogen technologies.

SESSION 5: Ensuring a balanced approach to territorial productivity

Aggregate productivity figures can obscure important disparities across territories, firms and population groups. This session examined how productivity-oriented strategies can be designed in ways that are more territorially balanced and socially inclusive, combining perspectives from local government, academic research, territorial diagnostics and policy practice. The discussion highlighted that productivity is not only about economic efficiency, but also about who benefits, where gains are concentrated, and how policy can broaden access to opportunities.

Key takeaways from Session 5

Overall, the session reinforced the need for a broader understanding of territorial productivity that recognises the role of structural inequalities, local capabilities and differentiated policy responses. Ensuring a balanced approach requires not only boosting performance, but also improving the ability of territories, firms and people to participate in and benefit from productivity-enhancing change.

- Productivity is unevenly distributed across firms, workers and territories, and aggregate indicators often conceal these differences.
- Better diagnostics are essential: Tools such as Bogotá's firm maturity assessment or Bizkaia's territorial competitiveness framework show the importance of fine-grained evidence.
- Territorial productivity must be linked to wellbeing: Economic performance should be assessed alongside inclusion, resilience and long-term sustainability.
- Finance and institutions matter spatially: Territorial imbalances are shaped not only by local weaknesses, but also by broader systems of capital allocation and governance.
- Policy flexibility is a strength: Interventions such as South Yorkshire's Skills Bank show the value of adaptable, locally responsive policy design.

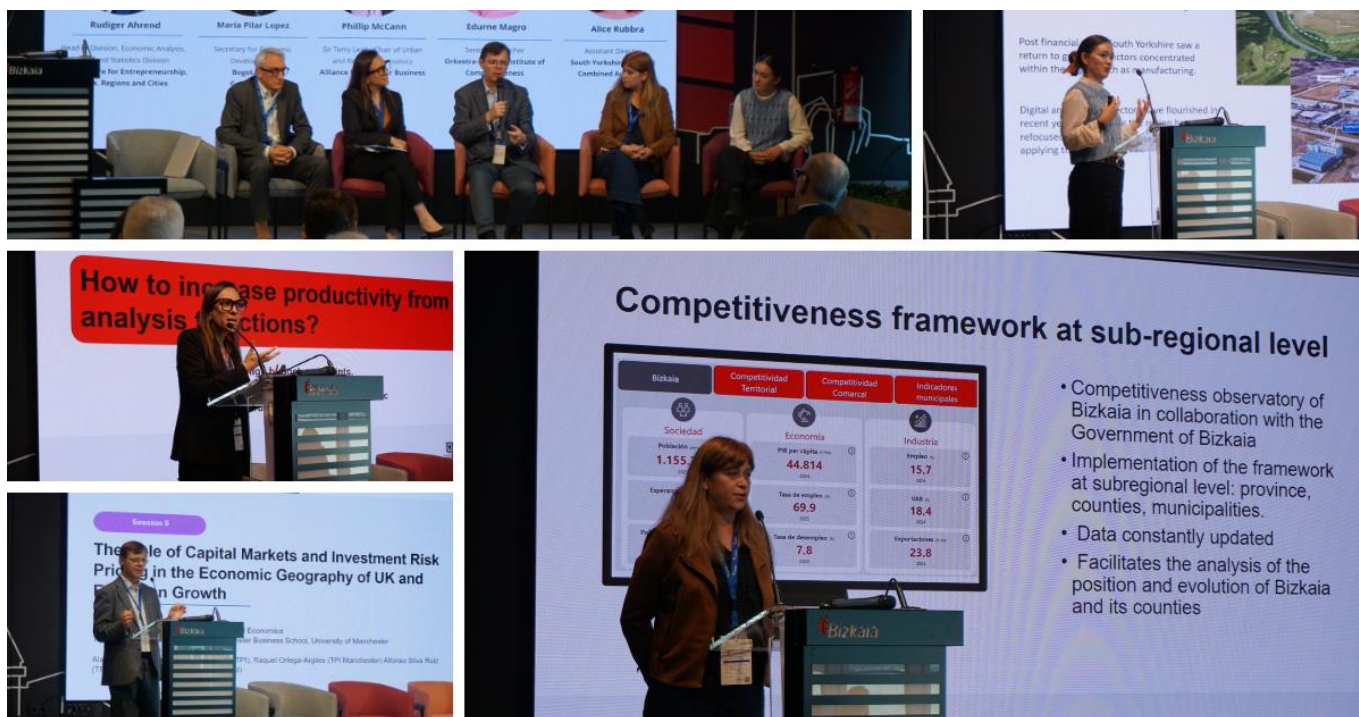
Moderated by **Rudiger Ahrend** (Head of Division, Economic Analysis, Data and Statistics Division, OECD Centre for Entrepreneurship, SMEs, Regions and Cities, France), the session brought together contributions

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around a shared concern: productivity strategies need to go beyond headline growth indicators and engage more directly with heterogeneity across firms, workers and territories. Indeed, a central theme of the session was that policies aimed at improving productivity must be grounded in a better understanding of local realities, supported by more precise data, and translated into interventions that reflect differences in firm capabilities, territorial structures and labour market conditions.



Reality Check | Bogotá Drives: From Analysis and Data to Productive Inclusion



María del Pilar López (Secretary for Economic Development, Bogota City Government, Colombia) presented the case of Bogotá, framing the challenge of productivity in a context marked by strong firm heterogeneity, widespread informality and severe fiscal constraints. Her intervention emphasized that moving from analysis to action requires first identifying the real constraints faced by firms, especially micro-enterprises, which dominate the city's productive structure.

To address this, Bogotá has developed DIME, a diagnostic tool designed to assess the maturity of firms across dimensions such as product development, leadership and planning, marketing and sales, finance and accounting, and innovation. The evidence generated through this instrument revealed several structural bottlenecks, including low use of accounting tools, weak digital marketing capabilities, limited access to external finance, and narrow market reach. These factors were presented as proxies for low productivity and fragility at the firm level.

Based on this diagnosis, López outlined a pathway to productive inclusion, in which firm support is not delivered in a generic way but tailored to the specific needs and stage of development of each business. The approach combines training, access to finance, productive asset support and market linkages, and is embedded in a broader framework that connects productivity, social inclusion and economic autonomy. A key message from her presentation was that productive development policies must be more targeted, better sequenced, and accompanied by stronger monitoring systems. This logic also underpins Bogotá's



experimentation with outcomes-based financing schemes, where public support is increasingly linked to measurable results such as employment, productivity or financial inclusion.

Insights from the research frontier | The role of capital markets and investment risk pricing in the economic geography of UK and European growth

Phillip McCann (Sir Terry Leahy Chair of Urban and Regional Economics at Alliance Manchester Business School, United Kingdom) contributed a broader structural perspective by examining the relationship between capital markets, investment risk pricing and the geography of growth in the UK and Europe. His intervention pointed to the spatial concentration of financial systems and the ways in which distance from major financial centres can shape both risk and investment returns.

The main implication of this perspective is that territorial disparities are not only the result of local characteristics, but are also embedded in wider financial and institutional geographies. Regions located farther from dominant centres of capital may face structural disadvantages in attracting investment, even when they possess productive potential.

This contribution added an important macro-spatial dimension to the session, reinforcing the idea that territorial productivity imbalances are often reproduced through mechanisms that operate well beyond the local scale.

Sharing the evidence | How to measure territorial balance in competitiveness and wellbeing



Edurne Magro (Senior Researcher, Orkestra-Basque Institute of Competitiveness, Spain) focused on the challenge of measuring territorial balance through a conceptual framework linking competitiveness and wellbeing. Her intervention stressed that a place-based approach is necessary not only for policy design, but also for diagnosis and implementation.

The framework distinguishes between outcomes, competitiveness levers and structural context, while also incorporating sustainability, inclusiveness, international connection, and institutions as central dimensions. This allows territorial analysis to move beyond narrow productivity metrics and consider how economic performance relates to broader wellbeing objectives.

Applied to Bizkaia, the framework shows that territorial balance is not a simple or binary condition, but rather a matter of varying degrees of dispersion across different dimensions and counties. The evidence suggests that Bizkaia performs relatively well across the territory in wellbeing terms, while displaying greater territorial disparities in some competitiveness dimensions, often linked to structural context. At the same time, improvements in long-term territorial balance point to the value of sustained place-based strategies.

A key takeaway is that territorial balance should not be treated as an abstract principle, but as something that can be measured, monitored and used to inform strategy. This requires robust conceptual and measurement frameworks capable of connecting economic dynamics with social and territorial outcomes.

Policy pitch | Policy in practice: Case Study from South Yorkshire



Alice Rubbra (Assistant Director, South Yorkshire Mayoral Combined Authority, United Kingdom) introduced a policy practice perspective through the case of South Yorkshire. Her presentation situated the region's current strategy within a longer trajectory of industrial strength, deindustrialisation and subsequent economic restructuring. While South Yorkshire has built on historic capabilities in



manufacturing and engineering, it continues to operate within a highly centralised national economy in which investment and decision-making remain concentrated elsewhere.

Against this background, Rubbra presented Skills Bank as an example of a flexible intervention aimed at improving both business productivity and workforce outcomes. The programme provides grant support for employer-led upskilling and retraining, lowering cost barriers and allowing firms to identify the training most relevant to their own needs. The intervention is open across sectors and firm sizes, with differentiated contribution rates according to business scale.

The case study evidence suggests that this flexibility has been central to the programme's success. Supported firms reported gains in turnover, GVA, productivity, and in some cases employment creation. At the same time, the programme increasingly seeks to capture employee-level outcomes, including wage growth, career progression, and job security, thereby linking business support more explicitly to inclusive labour market outcomes. Rubbra's contribution underscored that productivity interventions can be more effective when they are adaptable, demand-led and integrated into broader employment support ecosystems.

About the speakers



María del Pilar López Uribe is Bogotá's Secretary of Economic Development, focusing on job creation, innovation, and competitiveness. An economist and historian with a PhD from the London School of Economics, her work emphasizes gender equality, development economics, and public policy. She has held research roles at LSE and Universidad de los Andes and leads the WinEED network. Additionally, she has consulted for international organizations including the IDB, UNICEF, CAF, UNDP, and various Colombian public institutions.



Philip McCann is the Sir Terry Leahy Chair in Urban and Regional Economics at The University of Manchester and a highly cited expert in spatial economics. He has served as a Special Adviser to two European Commissioners and advised the OECD, the EIB, and various national ministries. A key voice on geographical inequality, he contributed to the Report of the Commission on the UK's Future led by Gordon Brown. He is a leading authority on economic geography and regional development across Europe and the UK.



Edurne Magro is a Senior Researcher at Orkestra – Basque Institute of Competitiveness and teaching faculty at the Deusto Business School, University of Deusto. Her research focuses on regional competitiveness, territorial strategy, regional innovation policies, transformative innovation policies and their evaluation, fields in which she has published widely in peer-reviewed journals and academic books.



Alice Rubbra is the Assistant Director for Strategy covering the Growth, Business and Skills portfolio at South Yorkshire Mayoral Combined Authority. Her role includes leading development of the region's new Growth Plan and overseeing the Mayor's Economic Advisory Council. Prior to joining the Combined Authority Alice worked in national government in roles spanning HM Treasury and the Department for Education.

Closing summary

The moderators of the five sessions synthesised the main insights from the conference in the closing summary, moderated by **James Wilson** (General Director, Orkestra-Basque Institute of Competitiveness, Spain).

Several key messages emerged that point to the future direction of public policy in this field:

1. The importance of thinking systemically about place-based knowledge flows, gaining a deeper understanding of how knowledge is generated, circulated and applied within territories to support productive transformation.
2. The need to continuously assess and challenge the impact of artificial intelligence on regional skills ecosystems was highlighted, recognising the speed and scale of ongoing changes.
3. The potential of the green transition as a lever to enhance local productivity, provided it is accompanied by policies that support skills development and adaptation.
4. The importance of ensuring inclusion, both within and between places, placing equity at the centre of productivity-oriented policy design.
5. The need to address short-term challenges arising from today's volatile context within a clear long-term strategic framework for territorial competitiveness.

Overall, the conference reinforced the importance of advancing towards more coherent, evidence-based policies that are tailored to the specific characteristics of each place, strengthening the link between analysis and action.



About the speaker



James Wilson is General Director at Orkestra-Basque Institute of Competitiveness and faculty at Deusto Business School. He joined Orkestra in 2007 and served as Research Director from 2018 to 2024. With over 20 years of experience, his work focuses on territorial competitiveness, strategy, governance, clusters, and innovation policy. He holds degrees from the University of Warwick, the University of Cape Town, and a PhD from the University of Birmingham, where he was a Senior Lecturer. He has published widely, contributed to European research projects, and regularly advises institutions such as the European Commission. He is also a Board member and Secretary of the TCI Network.

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