

Regional Studies Association

Shape and be Shaped: The Future Dynamics of Regional Development

Annual European Conference

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University of Tampere, Tampere
Finland

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Welcome

We warmly welcome you to Tampere and to the latest in the Regional Studies Association (RSA) annual series of European Conferences.

As always this event will comprise a vibrant mix of sessions including plenary sessions, workshops and roundtable discussions. We will also challenge you to the Finnish game of floorball before rewarding you with dinner. During the conference we will be hearing more than 250 papers in almost 90 sessions over three days and we warmly thank all those who will be contributing to the event for their preparation time and their ongoing commitment to the Association and to work in our field.

The RSA is approaching the end of its current Development Plan period and is taking stock of progress and change since 2007. It is pleasing to report a 56% increase in our total membership since 2007. We have also increased our membership internationalisation with a 37% increase in the number of countries in which we have membership during this period. Our membership profile has also changed. In 2007, we identified the danger that members would “all grow old together”. This is certainly not the case now - 20% of our members are in the student category and 30% are early career researchers (within 5 years of the date on their PhD certificate). We believe that these new voices, heard through the publication “Regional Insights”, through their own RSA funded research programmes, conferences, in research networks and at master classes add greatly to the Association’s contribution to thinking about regional challenges.

In this planning period to the end of 2013, and into the new period running to 2020, we will retain our commitment to knowledge exchange. We are busy increasing our contribution in this area. In 2013, after working with DG Regio and the Committee of the Regions for five years on the European Week of Regions and Cities (Open Days) we have just been declared the Exclusive Partner for the OD University. We have also just agreed a formal relationship with the Brazilian Ministry for National Integration in the organisation of the 2014 RSA Global Conference in Brazil.

The RSA is approaching its 50th year. We are middle aged, but hopefully not stuck in our ways. Two innovations for 2013 are the launch of our new journal – ***Territory, Politics, Governance***. This journal provides a platform for articles developing theory and research in territorial politics and the governance of space. The first issue will be available at the conference. This journal includes a Policy Advisory Board who will meet for the first time later this year and draws its membership from the Committee of the Regions, DG Regio, IBM Academy, OECD, United Nations, UN Habitat and World Bank. We will be asking these policy makers to comment on regional challenges as they see them and to consider the key questions for the research community from their perspectives.

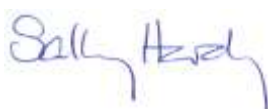
A further innovation is our approach to the 2013 RSA Global Conference in UCLA, Los Angeles (16th to 18th December). Working with Conference Chair, Professor Michael Storper and other colleagues, this event will be primarily by invitation to seek to address emerging and key themes in the regional challenge. The conference has an explicit publications strategy and will be thematically structured around key questions.

In closing this warm welcome to you we must thank our local organising committee in Tampere for their hard work – Markku Sotarauta, Arto Haveri, Ilari Karppi, Nina Mustikkamäki, Olli Ruokolainen, Kirsi Siltanen, Minna Hakamaa-Virtanen and Rinna Pulkkinen who will be organising and running the Floorball tournament. All learned societies rely on their members for support and RSA is no different. We do believe that our multi-disciplinarity and international spread give us a wonderful pool of committed individuals to work with and the RSA Board is very appreciative of members’ time and efforts.

We do hope that you enjoy the conference, and look forward to meeting you.
With all best wishes



Andrew Beer
Chair



Sally Hardy
Chief Executive



Tampere – a city between two lakes

- Tampere is the second largest city-region in Finland after the Helsinki metropolitan area. The core municipality of the city-region, Tampere, has a population of 219,000 and altogether there are 345,000 inhabitants in the city-region.
- Tampere is an interesting case for students of regional studies. First, in the 19th century Tampere developed from a small village into Finland's leading industrial town. When traditional industry fell into crisis in the latter part of 20th century, Tampere was able to recreate itself and it has risen among the top knowledge cities not only in Finland but beyond.

The University of Tampere (UTA)

The University of Tampere is one of the leading multidisciplinary universities and the leading university of social sciences in Finland with its nine schools. There are some 16.000 degree students altogether. The profile of the University of Tampere accentuates the university's multifaceted research and education on society and health.

UTA is a culturally-committed higher education institution with the social mission of educating visionaries who understand the world and change it. The basic values of the University are academic freedom, creativity and social responsibility. This means that everyone has an equal right to learn, to acquire knowledge, to participate and to make an impact on society.

What is now the University of Tampere began in 1925 in Helsinki as an institution generally referred to as a Civic College. The guiding notion was that enlightenment was conducive to peaceful societal development. The origins of the University have endowed it with a singularly clear and extensive mission to serve society. The University of Tampere is Finland's biggest provider of higher education in the field of social sciences and the accompanying administrative sciences.

"The history of the University of Tampere strongly reflects the faith of Nordic society in the equality of people" – former Chancellor **Jorma Sipilä**

see for more www.uta.fi/english

The Regional Studies Cluster at UTA

The Regional Studies Cluster is an academic community of faculty and students concerned with the societal, economic and environmental development in all its complexity. The Cluster is nationally and internationally recognized for its interdisciplinary academic expertise in the fields of urban and regional development, environmental policy, local governance and political geography. The Finnish Ministry of Education has nominated it three times as a national centre for educational excellence.

- www.uta.fi/jkk/sente/english/index.html
- www.uta.fi/jkk/en/research/themes/sparg/index.html
- www.uta.fi/jkk/tutkimus/alat/ponte.html

Finland - General Information

Finland is one of the Nordic countries, the others being Sweden, Norway, Denmark and Iceland. Situated in the far northeast of Europe, it is a peaceful and socially stable country. Finland has been a member of the European Union since 1995.

History

Finland was part of the Kingdom of Sweden from 1154 to 1809, when it was annexed to Russia as an autonomous Grand Duchy. Finland declared independence in 1917.

Tampere was founded in 1779 by Gustavus III, King of Sweden. In the Nordic countries, Tampere is also known by its Swedish name, Tammerfors.

Population

Finland has a population of 5.4 million. Covering an area of 338,000 square kilometres, the average population density is 17 people per square kilometre. 65% of Finns live in towns or urban areas, 35% in rural areas.

Languages spoken in Finland

Finland has two official languages: Finnish and Swedish. Finnish is spoken by 93%. Most Finns have a good command of English, which makes it easy for the visitors to attend to local shops, restaurants and hotels.

Currency and General Cost Level

The currency used in Finland is euro.

Landscape

Finland is the sixth largest country in Europe. As much as 65% of its area is covered with forest. Finland is also known as the land of a thousand lakes – although at the last count there were as many as 188,000.

Tampere is a cosy, safe and beautiful town in the Finnish lake district. It is surrounded by two large lakes, which give the city its distinctive air of natural peace.

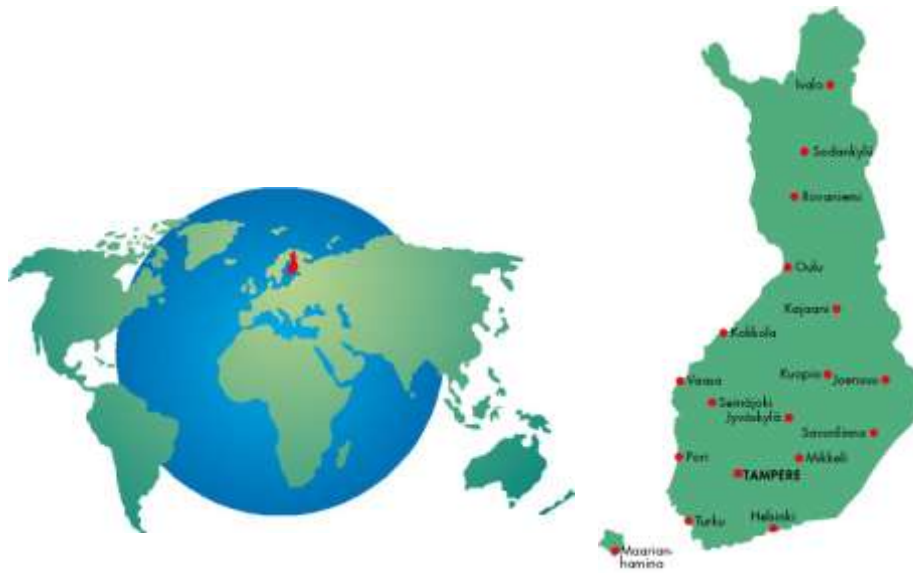
Climate in May in Finland

The climate in Finland is marked by cold winters and fairly warm summers. May is typically the time for fresh spring weather. The days are long and the sun shines late in the evening. The trees have got their new leaves and some flowers are blooming. The temperature is approximately 10 degrees celcius, but can vary between 5 and 20. There are usually about 10 rainy days in May.

Culture

There are numerous professional theatres and active amateur groups in Tampere. Tampere Hall, the largest concert and conference centre in the Nordic countries, stages countless classical concerts and performances by visiting orchestras as well as pop concerts. Culture in Tampere is further enhanced by the dozens of museums, art exhibitions and galleries located in the city. In addition, Tampere hosts a number of different festivals every year.

Tampere is a versatile town with vivid cultural life and lively summer events. In the evenings it offers the very best of city life: theatres, concert halls, pubs and restaurants.



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PLENARY SPEAKERS ABSTRACTS

RETURNEE ENTREPRENEURS AND THE CHINESE HIGH-TECHNOLOGY ECONOMY

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There has been much attention given to the hypothesis that skilled individuals returning from being educated in developed nations especially the United States can be agents transferring advanced skills and drawing upon the networks they developed to upgrade the local economy. We draw upon two data sets to examine this conjecture for the case of China. The first database consists of the background of the founders of key early Chinese electronics firms and indicates that the founders of the earliest firms were not returnees, but rather individuals with long and deep experience in Chinese universities and industry. The second database examines the management team and board of directors for every Chinese firm that conducted a U.S. initial public stock offering. For each of these individuals, we have their post-secondary educational experiences and their last work experience. This data is analyzed to see whether the management teams for more recent IPOs are becoming more or less experienced in the U.S. The returnees' hypothesis suggests that the increasing number of returnees would result in a higher percentage of returnee leaders in later IPOs. In fact, our research finds that the opposite is the case, in more recent IPO firms; there are fewer returnees than in earlier IPOs. While there is no doubt that there is a "brain circulation," the brains circulating do not appear to have nearly the importance assigned to them by the literature.

INSTITUTIONAL ENTREPRENEURSHIP AND INNOVATION SYSTEMS: WHAT IS THERE TO LEARN?

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In spite of the emerging consensus regarding the critical role of institutions for innovation, few studies have focused on the processes by which institutions are consciously created and changed. Consequently, this paper aims to complement the relatively established focus of (regional) innovation system studies that stresses mainly organisations (actors as components of systems), rules of the game (institutions), interaction patterns (networks), knowledge flows and recently also knowledge bases with better understanding of what actors actually do when they aim, one way or another, to change institutions governing innovation systems. The main aim here is to open the black box of agency and institutional change in the context of innovation systems by using the concept of institutional entrepreneurship. The concept of institutional entrepreneurship was first introduced by Paul DiMaggio in 1988, and it is based on his observation that organised actors do not only comply with institutions but consciously aim to create them or to transform existing ones. Institutional entrepreneurs have an interest to change particular institutional arrangements, and for this purpose they mobilize resources, competences and powers. This paper identifies (a) what roles institutional entrepreneurs play in processes of institutional change and (b) how the key actors influence the course of events. First, focus being on innovation systems the institutional entrepreneurship literature is surveyed; second, by drawing on several case studies the roles institutional entrepreneurs play in institutional change processes are discussed and; third, methodological and conceptual elements of an agenda for future research are suggested.

COMBINING 'KNOWLEDGES' IN SUSTAINABLE INNOVATION PROCESSES – BOUNDARY CROSSING MICRO DYNAMICS OF KNOWLEDGE IN GREEN CONSTRUCTION

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Confronted by the so-called global megatrends such as climate change, growing shortages of resources, impacts of demographic change and increasing fragmentation, there is a rising awareness in policy and science on the importance of sustainable innovations (SI). The need for these types of innovation which take into account the ecologic, economic and social dimension came along with the 'new understanding of sustainability'. The relationship between territory and 'sustainable' innovations is particularly interesting as such types of innovation require the participation of heterogeneous actors and the mobilization of knowledge from multiple stakeholders. The identification of the relationships that sustainable innovations (re)build with territory and the forms of localization that they induce is even more complex when such processes are taking place in international space. Manifold institutional and organizational interfaces and boundaries have to be overcome by actors in the development and implementation process before sustainable innovative projects come into existence. The geography of micro-knowledge dynamics (MKD) is at the centre of the study on German knowledge-intensive business services (KIBS) in Green Construction involved in innovative projects with Chinese clients. The aim of the paper is to contribute conceptually and empirically to a deeper understanding of knowledge combination underlying sustainable innovation processes. We focus on the territorial shaping of cumulative and combinatorial knowledge dynamics, on the organizational forms they take and the way how MKD unfold dynamically in time and space. The organizational and institutional dimensions appear to be of importance for the integration and anchoring of knowledge combination.

REGIONS AND THE 'INSTITUTIONAL TURN'

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The role of institutions in the formation of regions and the promotion (or hindrance) of regional development has attracted increasing attention from scholars and policy-makers. There are at least four dimensions of this debate which overlap to a greater or lesser degree. First, in human geography, the region is considered as a social construction which takes on a territorial and symbolic shape as a prelude to institution building, leading to its incorporation into the territorial system of society. Second, the literature on 'varieties of capitalism' (and its critics) draws attention to the ways in which economic development is shaped by national (and subnational) institutional arrangements. Third, the region is analysed - notably in the development studies literature - through the prism of debates about 'good governance', which is concerned with the democratic accountability and policy efficacy of (multi-level) political institutions. Fourth, the literature on the political economy of growth has shown a marked 'institutional turn', in which institutions are seen as shaping the incentive structures that produce patterns of development between and within countries. In contradistinction to neo-classical and neo-liberal approaches, these literatures share in common a concern with the constructive role of the state, including the local and regional state, in shaping patterns of development. In the field of regional policy studies these literatures have influenced profoundly the current interest in 'place-based' approaches to territorial development, which rest on the claim that effective local and regional governance plays a significant role in the process of regional growth because of their key role in the interpretation and mediation of context. This paper critically surveys this literature focusing on the role of political institutions and the claims made for role of local and regional governance in the promotion of regional development. It concludes by suggesting some elements of an agenda for future research.

INTEGRATING FINANCE INTO GLOBAL PRODUCTION NETWORKS

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For all its success in 'globalizing' regional development, the Global Production Network (GPN) approach has arguably failed to account for the role of finance – financial actors, markets, and practices – in the dynamics of the global economy and regional development. This lacuna is significant as finance is arguably even more globalised and networked than production. To address this gap the paper distills the concept of the Global Financial Network (GFN) from financial geography and related scholarship, with advanced business services, world cities, and offshore jurisdictions at the centre. Interactions between the GPN and the GFN are discussed, focusing on the financing and financialising of GPNs and the co-evolution of globalization and financialisation. Integrating finance into GPN requires more than a simple extension of the GPN approach; it would also enrich it conceptually, and enable it methodologically and empirically. This paper argues that understanding the GFN is essential to tracking the creation, enhancement and capture of value, as well as the risks involved, through the global economy.

*Gateway QVI***CHANGING SPATIAL CONFIGURATIONS: THE EXAMPLE OF THE WIND ENERGY INDUSTRY IN HAMBURG****J. Markus Adrian, University of Hamburg, GERMANY****Max-Peter Menzel, University of Hamburg, GERMANY**

The wind turbine industry in Northwestern Germany and Denmark is restructuring. The traditionally spatially dispersed industry seems to establish a distinct concentration. Since 2008, 18 major producers, suppliers and project developers relocated R&D or headquarter functions to Hamburg, which has not been an important center of the industry before. In addition also increasingly specialized service providers in areas such as certification and consulting moved to Hamburg and offer important support functions to the industry. Neither the number nor the abrupt beginning of relocations can be explained on company base or regional accounts. We argue that firms relocate their headquarters as reaction to a changing of global value chains from relational to modular forms of governance. While relational value chains are governed within long lasting relations, modular value chains are more market based with a larger interchangeability of components and higher volatility of supplier relations. The origin of this transformation lies in the increased competition from Chinese manufacturers, which from the beginning organized their production in modular forms. The integration of Chinese producers and suppliers in global markets, accompanied by increases in global norms and standards, transforms traditional relational forms of value chain governance on the global level. This transformation of the governance of production also alters the spatial organization of the industry. Modular value chains require processes of codification and standardization necessary to modularize value chains as well as increased efforts to co-ordinate an increasing number of suppliers in different countries. Most firms can only manage the larger organizational complexity within modular value chains by including knowledge intense business services. These prerequisites are not found in the rural centers of the industry. Therefore, these firms require places with certain global city functions where these services are provided. The paper shows how the newly relocated establishments transform the regional network structures and Innovation processes. Hamburg is an important hub for international trade. The organization of global logistics entails an infrastructure of respective knowledge intense firms. The existing local infrastructure of knowledge intense service firms adapts to the new entrants and many local service providers have entered the field of wind energy. The connection of new establishments that are highly integrated in global structures with incumbent knowledge intense business services gives rise to particular local dynamics. Our study contributes to several fields. It contributes to discussions on related variety as it investigates its indirect effects, as relatedness accrues from services provided for a particular industry instead from the industry itself. It contributes to the discussion on cluster life cycles as it emphasizes cluster evolution as an inherent part of global dynamics. And it contributes to the discussions on global value chains as it points out that places not only co-evolve with changing governance of value chains, but that their alteration breaks up established forms of spatial organization and creates new places while abandoning others.

*Gateway P***AN INTER-DISCIPLINARY APPROACH FOR EARTHQUAKE VULNERABILITY ASSESSMENT IN URBAN AREAS: A CASE STUDY OF CENTRAL DISTRICT, YALOVA****Sami O. Akbas, Gazi University Department of Civil Engineering, TURKEY****Ozlem Guzey, Gazi University Department of City and Regional Planning, TURKEY****Erman Aksoy, Gazi University Department of City and Regional Planning, TURKEY****Cem Gel, Gazi University Department of Civil Engineering, TURKEY****Ozgur Anil, Gazi University Department of Civil Engineering, TURKEY****Nevin Gultekin, Gazi University Department of City and Regional Planning, TURKEY**

Most of the existing earthquake vulnerability assessment procedures concentrate on structural loss assessment and the resulting indirect economic losses. However, in addition to their destructive effect on the building stock, earthquakes also have a substantial potential in degrading an urban area's economy, cultural

heritage, and social structure. Thus, in order to be effectively used by decision makers, a robust assessment procedure should at least integrate socio-economical, structural and geological vulnerability components of an urban area. In this study, an inter-disciplinary approach is presented to assess urban earthquake vulnerability at household to neighborhood scale. The proposed methodology introduces a technique for measuring certain attributes of individuals living within a household that contribute to their vulnerability to earthquake impact. At this stage, the overall vulnerability at household scale is “measured” considering physical, social, and economical components of vulnerability. Then, each component is analyzed in broad categories of indicators respective of the component in question. The physical fragility is estimated through a walk-down evaluation approach, whereas the social and economic components are determined through statistical surveys and specifically developed questionnaires. This information is then combined with the geological vulnerability to assess the average vulnerability at neighborhood scale. Conclusively, each indicator of a component is given a value to reach a final vulnerability assessment not withstanding the effects that combinations of components will have on a person’s vulnerability. Within an undergraduate capstone design project course, a comprehensive application of the methodology is performed for the nine neighborhoods of the central district in Yalova province in the north-west Turkey, which experienced considerable damage in the 1999 Izmit Earthquake.

Gateway Q/IV

INSTITUTIONAL BARRIERS AND OPPORTUNITIES IN NON-METROPOLITAN REGIONS FOR INNOVATIVE DEVELOPMENT OF CULTURAL AND CREATIVE INDUSTRIES

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Non-metropolitan regions generally suffer from a globalized economy and continuous social-economical transformation to a wider extent than metropolitan areas. The lack of centrality and scant infrastructure might increase spatial disparities and decrease attractiveness of those regions and cities. At the same time, they have to cope with the challenges to attract new businesses and develop new economic sectors as well as to prevent businesses from relocating. This poses significant challenges for the governance system to adapt to continuous change and to enable innovative development processes. The cultural and creative industries (CCI) gained much attention in the last two decades. They became a popular research topic as well as an objective for taking policy actions. So far empirical findings and theoretical discourses refer mainly to situations in metropolitan areas and major cities. Most practical strategies for fostering CCIs are mainly formulated on the same spatial level. Recently, different EU projects started to support CCIs in medium-sized and small towns as well as in non-metropolitan areas (e.g. the URBACT project Creative Clusters). Yet it can still be stated that many support institutions in smaller and medium-sized cities as well as in regions afar from metropolitan areas have not fully recognized the potential of creative industries. In this paper the challenges for policy-makers in non-metropolitan regions and the promotion of CCIs as an objective of policy making are brought together. Institutional barriers and opportunities which hinder or foster an innovative development of the sector are discussed. Obstacles and possibilities to reach a 'holistic, progressive and sustainable local and regional development' (Pike, Rodríguez-Pose, Tomaney 2007) path are evaluated. The paper takes a case-study approach by analysing the modalities of CCIs in the city of Cottbus and the region of Lusatia (Federal state of Brandenburg, Germany) and the policy processes and governance structure in the region. Expert interviews with CCI companies have been conducted and analysed in a qualitative and quantitative way. The research is part of the Interreg IVb project 'Urban Creative Poles' (UCP). UCP is a project which aims to support CCIs in five European medium-sized cities by using various tools and instruments.

THE SPATIAL DISTRIBUTION OF ECONOMIC ACTIVITIES IN SOUTHERN BRAZIL IN THE FIRST DECADE OF THE XXI CENTURY: NEW DYNAMICS, OLD GEOGRAPHIES IN A GLOBALIZED PARADIGM

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As pointed by many authors (Camagni & Capello, 2012; Pike, Rodríguez-Posse & Tomaney, 2011; Tervo, 2010; Hassink, 2010; Cavalcante, 2008; Capello, 2007; Barquero, 1999) determinants of regional competitiveness are quite distinct between regions, namely between highly and less urbanized regions. Many theories have been presented to explain these differences. From the regional relation between demand and supply as a key element to this differentiation (in 50's), until recent theories supported in the social capital concept (Camagni & Capello, 2012) or the new economic geography movements that help to understand spatial distribution of economic activities, capital and employments. Other contributors were defended by Dicken (2011), Scott & Storper (2003), Marques da Costa (1992; 2000), Mendez (1999, 1997) e Ciciotti (1998). In the last two decades, Brazil have been changing their relative position in the international world division of labor, supported in a growing internationalization of Brazilian capital and in the diversification of industry and services entrepreneurial profile. Southern regions of Brazil are running the same role of BRIC changes. The south includes three metropolis (Curitiba, Florianópolis and Porto Alegre) but a generalized urbanization and industrialization process is occurring in these southern regions, with different investment and sectorial profile related to local resources. In this context, the main objective of this paper is to analyze the evolution of spatial economic activities distribution in the southern Brazilian mesoregions, from 2000 to 2010. Sectorial concentration and emerging sectors will be described in their relation with population and urbanization dynamics. We used techniques of regional analysis: the location quotient and shift-share method. The variable used was the number of people employed divided by economics activity sectors, collected from demographic censuses of IBGE (Brazilian Institute of Geography and Statistics) for 2000 and 2010, and classified according to OECD/Eurostat. The analysis was performed for the 23 homogeneous mesoregions, which according to IBGE (1970) are a group of municipalities with approximate social and economic characteristics. The results showed that the total number of employed people in southern Brazil from 2000 to 2010 grew by 29.59%, and comparing the various activity sectors with the average we were able to rank them from their importance in terms of weight in terms of total employment and growth dynamics of the sector for the analyzed period. The spatial distribution of these activities showed a larger distribution for the activities of the primary sector and those sectors of industry and services with more intensive manpower. The industries with high and medium technology are mainly concentrated in the metropolitan areas of Curitiba and Porto Alegre, and in some neighboring mesoregions. These industries are not very distributed in the interior of the Southern Region. The extractive industries, construction and SIUP were more dispersed. In the tertiary sector we found similar results: how much more intensive in knowledge and high-tech, more the activities are concentrated in the metropolitan areas of the three states and the Northern Central Paranaense. On the other hand, how much less intensive in knowledge, more mesoregions become relevant. This spatial distribution shows the spatial concentration of industrial activities and services in regions further south. The results of the shift-share method showed interesting results: the metropolitan mesoregions, including Norte Central, Centro Oriental and the Oeste Paranaense, e o Norte e Sul Catarinense and the Sudoeste e o Centro Ocidental Rio-Grandense showed positive structural variation, demonstrating that these mesoregions were already specialized in activities that had good performance between 2000 and 2010. Moreover, the differential variation was positive in the mesoregions Nordeste Rio-Grandense forming a line passing through the Centro Oriental Paranaense until Oeste Catarinense. In these mesoregions local factors were responsible for the good performance. Furthermore, using information about the 1245 largest companies in Brazil's net sales in 2011 according to the survey Biggest and Best of the magazine EXAM, it was noticed that 242 (or 19.44%) were located in Southern Brazil and most of these are located in metropolitan areas, and those that are more distributed are related mainly to activities of agricultural production processing or activities with low technology. These results indicate that the southern Brazil has a share of total employment in little less knowledge intensive urban sector and industries with low technology, and show that large firms are linked to these sectors. These large companies have mostly national capital, which is a positive aspect of regional competitiveness. The other sector (especially in knowledge intensive sectors) are still highly concentrated in metropolises, and employing a small portion of total employed people, depicting a pattern of distribution of

economic activities very hierarchical, very dependent on the metropolis. Described by, and despite all the changes, will be framed in the south Fordist paradigm? This issue will be discussed along the paper.

Gateway H

HIGHLIGHTING IDENTITIES AND CREATIVITY BY CULTURAL PLANNING

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Lars Aronsson Karlstad University, Sweden Department of Geography, Media and Communication Gateway: H. Creativity, Identities and Branding Highlighting identities and creativity by cultural planning The importance of a vital culture is frequently discussed in relation to the development of dynamic places and regions. Richard Florida (2002), for instance, maintains that the link between culture, creativity and growth are central to places. The development potential in regional economy is considered to be the cultural capital of the creative class. Increasingly, the physical environment in community planning and architecture is interwoven with cultural expression and a higher degree of aesthetics to attract future inhabitants and to keep people from leaving the place, on the one hand, and to increase the number of visitors and investors with a view to create economic growth, on the other. Place developers, in other words, are at work to create effective markers and stories as well as an attractive environment. This type of strategic planning can be criticised from several perspectives. Strategy is a balancing act between preserving and cultivating the history of a place, its specific features and identity—that is, place culture—and to “sell” the place to visitors, in-migrants and companies. Moreover, Florida’s notion of development rests implicitly on the assumption that the people expected are those with cultural or economic capital. This means that there are including and excluding aspects in the argument that need to be considered. The described view on development and planning of places has led to an increased interest in alternative planning methods. Especially one case in the city of Karlstad, Sweden, is analysed. The project is inspired by a cultural planning method. Cultural planning involves taking the cultural perspective into account in community planning. The method is primarily a grass-root model based on the local community, its values and resources. By means of active cultural planning at the residential/district area level, the Karlstad project aims to develop forms and methods for implementing artistic designs and cultural activities to produce attractive neighbourhoods and enhance the quality of life for the residents. An expectation is an increased social sustainable development. The City of Karlstad also wants to raise its attraction level and ensure a positive development for future residents by testing cultural planning and the related community art methods. The present paper is based on an on-going evaluation and research of the Karlstad project.

Gateway G

CRITIQUING THE CONTEMPORARY RELEVANCE OF 'ASSEMBLAGES OF STATE POWER'

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Territorial rescaling in England continues at rapid pace. The Coalition government has abolished the regional tier in England in favour of a new set of strategies around growth and development that has tapped into the localist agenda. What appears to be emerging is an extremely fluid process, dependant on Whitehall departmental objectives, local circumstances and huge variations in local governance capacity. This paper argues that the concept of 'assemblages of state power' (Allen and Cochrane, 2010) might be employed to examine this process. 'Assemblages' is an appropriate concept to examine the governance of England because it is able to account for the highly variable patterns of decentralisation (i) across government departments (ii) policy areas and (iii) between emerging localities in England. The paper argues that the concept has contemporary relevance as it is able to capture the fluidity of emerging local governance arrangements and the blurring of administrative and geographical boundaries.

POLITICAL ECONOMICS OF GLOBALISATION OF TRANSITION COUNTRIES IN THE CENTRAL ASIA AND CAUCASIA

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With the dissolution of Soviet Union, former Soviet republics' central planned economy transformed into free market economy and structural reforms were made as parallel of this development. These former socialist countries have some difficulties to adopt capitalism due to absence of some fundamental features of capitalism and inheritance of Soviet Union during the transformation process. As a result of collapse of the Soviet Union, the geo-strategical importance of the Region increased for the West by ending the big threat of 'communism'. The Region's importance arises from being on the way of energy roads and owing energy sources as well as being an exit to the Black Sea and geography extending to Afghanistan. However, this importance doesn't reflected in their economy. The main macroeconomic problem had been poverty and inequality in these transition countries and they became open to conflicts as a result of economic and governmental weaknesses. As economic problems leads weakness of governance, ethnical conflicts and border conflicts threat these new independent countries. Instability arising from conflicts, causes underground economy to be the dynamic of these countries and to spread crime waves. However, the Region had been at the focus of the imperial wars due to rich natural resources and pipelines as well as the connection point to Afghanistan and being the exit to the Black Sea. In this work, it will be tried to analyse integration of these transition countries into the world economy and the development process of underground economy. This paper seeks regional development of the transition countries in the Central Asia and Caucasus which geo-strategical importance increased due to natural resources and geographic location during Post Cold-War era. This work is based on statistical data provided by COMTRADE, UNCTAD and IMF, covering the period of 1990-2009 and contains Azerbaijan, Kyrgyzstan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Georgia.

THE ECONOMICS BEHIND THE MOVE TO 'LOCALISM' IN ENGLAND

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Paul Hildreth, SURF At Salford University, UK

This paper explores the economic thinking behind the UK Coalition Government's new framework for achieving local growth and the creation of Local Enterprise Partnerships (LEPs) in England. While the government's Local Growth paper sets out ambitions to achieve greater spatial and industrial balance across England (and by implication the UK), in practice there are competing economic ideas in circulation within government which have influenced policy in different ways. A space-neutral approach (with New Economic Geography underpinnings) in particular has influenced the proposed approach to planning in the National Planning Policy Framework, while other variants of the New Economic Geography and recent Place-Based Approaches can be seen as having an impact in terms of documents such as Cities with its proposals for decentralisation. While recognising that policy is still evolving, we argue that so far at least there is a mismatch between the rhetoric of local growth and its limitations in practice. In so doing, the paper highlights six key disconnects and limitations of the economics behind the move to LEPs. In particular, it argues that the resulting 'bottom up' configuration of LEPs can be criticised - just as RDAs were - as having inappropriate boundaries and scales. Moreover, quite how the 'duty to cooperate' is to be enforced is far from clear: just how will stronger places be incentive to cooperate with weaker places? Overall, how far the government goes in addressing issues of powers, resources and governance arrangements will to a large extent determine to what extent the policy 'base' is actually place-based in practice.

INNOVATION PERFORMANCE AND REGIONAL SUCCESS – INSIGHTS FROM THE CAPABILITY APPROACH

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Zoltan Elekes, University of Szeged, HUNGARY

Salient innovation performance is considered to be an important element of regional success. While a number of territorial innovation models attempt to unfold the components of the outstanding regional innovation performance, less emphasis is put on the (hypo)thesis that increased innovation performance results in more advantageous regional position. Present paper attempts to clarify the link between innovation performance and regional success on the basis of Amartya Sen's capability approach. Within this framework we interpret regional success as the well-being of local residents and interpret well-being as the expansion of capabilities. We argue that the "increased innovation performance results in regional success" hypothesis has to be revised for at least two reasons. First, the link seems to be much more complex than usually supposed. Second, the correlation of innovation performance and regional success does not necessary derive merely from the increased ability to introduce and diffuse innovations.

THE MILITARY LANDSCAPE MANAGEMENT OF LATVIAN COASTLINE MILITARY OBJECTS

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Baiba Svane, University of Latvia, LATVIA

Latvian military landscape is dividend 28 military historical regions (Balodis, 2012). Military installations include some of the most historically significant properties in the Latvian cultural landscape. In Latvian perspective military landscape are military territorial structures which are affected from 1) military landfields, 2) military objects and 3) military institutional restrictions. Military landscape management in Latvian case mean spatial territorial management where is used Military Territories Monitoring (MTM) (Vinke – De Kruijf; Augustijn, & Bressers, 2012) and Landscape Management Plan. The Landscape Management Plan (LMP) and is a snap-shot of current standards and strategies for continuous improvement landscape and collections (Loechl,; Batzli & Ensore, 2005). Implicit in this approach is an annual process of self-assessment and team review. There are two ways in which the military landscape of Latvia, and especially that of the last two thousand years, may be traced. One may delve into the contemporary historical documents looking for comments and descriptions of the landscape (Van Houtum, 2009), or one may examine the minute fossilized pollen grains which are preserved in the peat bogs which accumulated over the last two thousand years (Puþulis, 2012). The main aim of this research is to get to tieback between political restrictions and territorial planning. In this reserach Latvian coastline is divided in six segments 1) Baltic sea coastline segment from Rucava to Pavilosta, 2) Baltic sea coastline segment from Pavilosta to Ventspils, 3) Baltic sea coastline segment from Ventspils to Kolka, 4) Riga sea bay coastline from Kolka to Mçrsrags, 5) Riga sea bay coastline from Mçrsrags to Riga and 6) Riga sea bay coastline from Riga to Ainazi. Data is used from State Regional Development Agency and Latvian Statistical Bureu.

MANAGEMENT OF TRADITIONAL MARKETS IN IBADAN, NIGERIA: A FOCUS ON OJA'BA AND OJE MARKET'S

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Traditional markets in Nigeria attract often physical development which leads to the growth of the city with its attendant management challenges. This study appraises the management approaches of two traditional markets, Oja'ba and Oje in Ibadan, southwestern Nigeria, with the view of identifying myriads of challenges

associated with the markets. Ibadan metropolis is made up of eleven (11) Local Government Areas, two (2) Local Government areas where traditional markets are highly predominant were randomly selected. One traditional market that is located at the core of Ibadan city was randomly selected from each Local Government areas. In Ibadan North East, Oje was selected, while Oja'ba was selected from Ibadan South West. Systematic and accidental sampling methods were used to sample traders and buyers in the markets. Qualitative and quantitative data were used for the study and they were sourced from both primary and secondary sources. Primary data were sourced through the use of questionnaire survey and key informant interview method on the key actors in the markets such as the traders, buyers and local government areas. The information collected from the questionnaire survey was analyzed using descriptive statistical method. The findings of the study reveals that there is no sufficient organized waste disposal, in the markets, 70% of their roads are without drains, 80% of the access roads within the markets are in poor condition, one public toilet was provided in each of the market which is not adequate to serve the population of the markets, on street parking characterized the markets because there is no parking facility for vehicles, no provision for water supply in the markets, trading on the highway dominates the markets, the markets council of elders saddled with the responsibility of managing the markets are not effective which resulted to the identified challenges facing the markets. Strategies were proposed to address the identified challenges in the markets, among these are ; embarkation on community self-help programs, government intervention, provision for redevelopment program, creation of management committees that would see to the maintenance and sustainability of the proposed amenities, facilities and utilities for the markets.

Gateway A

REGIONAL INNOVATION ECOSYSTEM: THE BRAZILIAN STATE OF CEARA

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Innovation is recognized today as a major motor of economic growth. However, various studies indicate a negative influence of innovation on regional distribution, as a result of the locational characteristics of innovation activities. The present research tries to analyze, on the basis of a less developed region, the state of Ceara in Northeast Brazil, the potential of innovation advance in peripheral conditions, and the policy measures that are required. We first present the basic principles of the innovation ecosystem and the role of some major factors. We then analyze the specific conditions prevailing in the state of Ceara, on the basis of three main sources: a. A field study of the main factors involved in the local ecosystem. b. A questionnaire applied to a sample of enterprises regarding their innovation activity and their relation with the factors in the ecosystem. c. A brainstorm meeting of leaders of industry, academy and government, followed by a short questionnaire. A few conclusions are drawn and policy measures are derived.

Gateway K

CSR, COMPETITIVENESS OF SMES AND ATTRACTIVENESS OF TERRITORIES: THE ROLE OF LOCAL AUTHORITIES

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In the late '90s the need to protect (environmentally and socially) local communities and workers and the need to boost the European industrial system to diversify and differentiate the production of goods and services towards a new course of competitiveness led the European Union to promote principles of Corporate Social Responsibility (CSR) among companies. With the publication of the "Green book on CSR", the European Commission marked its pro-active position and began fostering the idea and practice of CSR throughout multiple initiatives and official documents. Three years later the EC stated that CSR could play a key role in contributing to sustainable development while enhancing Europe's innovative potential and competitiveness; in 2006 the Commission high-lighted that CSR represented 'a business contribution to the Growth and Jobs Strategy and to sustainable development', and finally in 2008, referring to national governments, it stressed the role of Member States in encouraging enterprises in developing their corporate social responsibility. In this perspective, the attention to sustainability issues has taken on important consequences both for the

competitive-ness of individual firms and for the competitiveness of regions and local communities. The European Union has encouraged the promotion of CSR at a multi-stakeholder level and its action has been the stimulus for many national and local government authorities to undertake actions promoting and enhancing these approaches. In particular, the role of national and local authorities has been significant in those circumstances in which the target of these initiatives were Small and Medium Enterprises (SMEs). On this basis the article describes a profile of Tuscany's regional context (Italy) both in terms of the perception of SMEs about the relationship between CSR and competitiveness, and in terms of role played by Tuscan local authorities in promoting CSR and improving the attractiveness of the governed territories. In particular the article takes into consideration the CSR policies promoted by the Tuscany Government, focusing on its role as lead partner in a EU co-financed project. At level of the region of Tuscany, a group of 21 SMEs and 6 Local Authorities have been involved in the project and been interviewed. All interviews were carried out on the basis of pre-established protocols and were supported by documents that were collected by the organizations contacted. The purpose of the meetings and interviews was to obtain sufficient information with managers and representatives of local authorities to derive results using the inductive principle of constant comparison. Later, the results were presented, discussed, and shared with some of the most relevant regional stakeholders during a forum organized by the Government of the Region of Tuscany. The results gave important lessons from both managerial and governance points of view. In particular in a public policy perspective the most relevant lessons emerged regard: the relevance of networks (local, but open to the global dynamics) as major competitive factor for SMEs; the relevance of public legislative authorities in rewarding enterprises (above all SMEs) showing ethical and environmentally friendly behaviours; the relevance of actions aiming to give more value to the local industrial clusters characterized by enterprises showing high ethical performances (also in a territorial marketing perspective); and finally the relevance of implementation and development of monitoring systems. The need to "measure" competitive performances of CSR strategies emerged as priority both from en-terprises and local authorities.

Gateway E

BEYOND THE LEADERSHIP RELAY: SOCIALLY EMBEDDED LEADERS AND THE POWER ELITE

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Work on place leadership by Sotarauta and others has noted that processes of transformative leadership often appear to take place through a series of episodes, involving a number of leaders over time. This work suggests that genuine transformative leadership is rarely undertaken by a single leader, but instead involves multiple individuals contributing their unique skills to a process of change. Peters (2012) has also noted that change at the local level often requires the participation of what she refers to as 'socially embedded leaders': individuals without formal title or role, who are strongly connected to their communities and whose behaviours serve as a model for others. This paper consider the observations of both Sotarauta and Peters and seeks to reconcile their perspectives on regional leadership with reference to bridging and bonding social capital. The paper argues that the 'leadership relay' can also be considered as a dialogue, with leadership roles switching between socially embedded leaders and title holders as the process of transition moves from vision to implantation and beyond.

Gateway A

CREATIVITY SPILLOVER OF ENTREPRENEURSHIP THEORY

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This study provides compelling evidence of the individual impact of human and creative capital on urban economic development. The size of the impact depends on the propensity of creative capital to spill over, living and business environment conducive to creativity and exchange of ideas, agglomeration forces, diversity and a moderating effect of new firm start-ups on creativity. Utilizing Urban Audit dataset on 187 cities in 15

European countries covering 1999-2009, our study develops the basis of the Creative spillover of entrepreneurship theory and introduces the concept of the 'creativity filter'. It confirms that the availability of creative capital does not per se result in economic development, but rather exchange of ideas, diversity and entrepreneurship start-ups are needed to facilitate the spillover and commercialization of those ideas and minimize the size of 'creativity filter'. Contribution to literature This study contributes to the creativity and regional entrepreneurship literature in four important ways. First, using advanced quantitative analysis, such as principle component analysis and the generalized least square model, our study provides compelling evidence that human capital does not per se contribute to urban economic development as long as what people know is used in industries where knowledge and technology are the main inputs. Second, rather than treat creative capital as homogeneous, which most of the extant studies linking entrepreneurship, creativity and firm performance have done (Amabile, 1996; Choi et al., 2009; Gilson & Shalley, 2004; Somech and Drach-Zahavy, 2011), we follow the theoretical arguments of creativity and regional entrepreneurship researchers (Lee, Florida & Acs, 2004; Florida 2002, 2004; Boschma and Fritsch, 2009) in recognizing that creative capital is heterogeneous. We demonstrated that creative capital as a human capital does not per se result in economic development, while the direct impact of it is conditional on the climate of diversity and an industrial context. Third, our model follows the interactional approach and suggests an integrative perspective 'new firm start-up – creative capital' is needed for economic development. Fourth, we introduce a concept of a 'creativity filter' and predict that a climate of socialization, openness and diversity potentially decreases the size of the 'creativity filter' and therefore results in higher economic development.

Gateway J

PATHS OF THE TERRITORIAL CATCHING-UP PROCESS ON THE PERIPHERY, WITH SPECIAL FOCUS ON THE VISEGRAD COUNTRIES

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The future of the cohesion policy and the chances of improving the economic situation and the standard of living in peripheral regions remain in the focus of the current academic debate. This paper looks to bring new facts and arguments to this debate, from a central-european perspective. So, the main purpose of this paper is the critical evaluation of the impact of cohesion funds on the evolution trajectory of peripheral regions in Eastern Europe. According to this general objective, the authors offer a brief evaluation of the evolution path of the peripheral regions in the Visegrad Countries (Czech Republic, Slovakia, Poland and Hungary), following the EU accession, and using NUTS 3 level GDP data. A special attention is given for the convergence clubs, specially for the most underperforming regions. Further more, the authors provide an analysis of the effects of the EU funds on the economic growth, and the crowding out effect of the EU funds at regional level. They will offer a multidimensional analysis in the sense, that beside the usually GDP-focus, they evaluate the changes of the regional Human Development Index, generally, and the changes of each individual component of the HDI, stressing the idea that economic growth is not always related to the improvement in the living standards. Based on the modelling technique, the authors will analyse the effect of the capital change on the position of the peripheral regions as well. The authors will look after correlations between the components of the HDI, and between the cohesion funds and the evolution of HDI. Finally, the new priorities of the EU cohesion policy will be critically discussed in the light of the main empirical findings of the previous evaluations.

Gateway H

CRAFTSPERSON, HOBBYIST OR MICRO-ENTERPRISE: THE RISE OF THE PRO-C ARTIST IN THE PERIPHERY REGIONS OF MID AND WEST WALES

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This paper identifies a resilient type of creative individual who operates within the Crafts sector in the periphery regions of Wales. In comparison to the majority of other micro and small creative enterprises located in areas of low economic activity, the Professional Creative Artist (Pro-C Artist), described here,

receives little recognition in regional policymaking. Despite this lack of visible support, and in an economic climate where employment opportunities are limited, the number of Pro-C Artists appears to be increasing. The 'Pro-C Artist' model of creativity is presented in this paper as an emerging future direction for grass-roots creativity at a regional level. Urban areas and central city locations attract those working in the commercial areas of the creative industries such as film and computer programming; this type of creativity demonstrates significant economic growth in the UK by generating an annual Gross Value Added of £60,800 billion (DCMS, 2001). In contrast to this the less attractive periphery regions play host to the more traditional sectors of creativity, such as Visual Arts and Craft, where low economic output can be evidenced (Comunian, 2009). Austere times have called for austere measures and the less profitable creative industries now face increasing financial cutbacks and a reduction in business support. This has resulted in both a loss of networking opportunities and the invisibility of these industries within regional development focus. In Wales this is particularly evident and can be seen in the Welsh Creative Industries Strategy where funding is directed instead towards the commercial exploitation of intellectual property (Hargreaves, 2010). Even though statistics show that the Craft industry currently has one of the largest employment figures in Wales, little support is offered by way of regional policy incentives (Hargreaves, 2010). In what form and at what level traditional creativity will survive in a harsh environment is a current cause for concern. Contrary to expectation; without strong regional policy support and in the periphery regions of low wealth, a certain area of traditional creativity is thriving. The origin of this is in Craftwork. An increase in part time employment, redundancies and a constricting job market, coupled with the low cost of living in the rural backwaters of Wales have encouraged creative hobbyists to join the ranks of craftspeople operating micro-craft enterprises in areas of low economic activity. These craftspeople and post-hobbyists are described here as 'Pro-C Artists'. The rural counties of Mid and West Wales present limited opportunities, in 2005 Ceredigion was identified as having the fourth lowest economic output across Wales (Econactive, 2010); yet this area has a disproportionally high population of creative people (Econactive, 2010). In Ceredigion, Pembrokeshire, Powys and Carmarthenshire the prevalence of creative output, particularly in Visual Art and Craft is evident in small regional galleries, craft fairs and arts organisations. These areas, previously characterised by an outward migration of young people, now provide an attractive location for the Pro-C Artist. This paper presents a demographic study of 65 Pro-C artists based in Mid and West Wales. An analysis of quantitative questionnaire data, combined with qualitative semi-structured interviews from individuals working within the Craft sector in the periphery regions of Wales is used to create a profile of the Pro-C Artist. This creative type operates a hand-to-mouth existence, the majority are sole traders or micro-enterprises and they often supplement their craft income with teaching, residencies and other non-arts related work (McDermott, Venus, & Vincentelli, 2007). They can be identified as part time or amateur producers earning an income from their endeavours as part of a lifestyle choice, more often as a result of redundancy or employment disillusionment. Few have been the recipients of governmental initiatives or grants yet a significant proportion of the original craftspeople amongst them have worked within their creative area for over 20 years, indicating this career choice is sustainable. The Pro-C Artist's 'make to and mend' attitude fosters resilience to the economic and environmental conditions they operate within. This lifestyle choice of Painters, Illustrators, Photographers, Blacksmiths, Jewellers, Textile Artists and Visual Artists is presented here as an indication of the future direction regional grass-roots creativity may take to survive in austere times.

Gateway A

REGIONAL INNOVATION CULTURE IN AN AGE OF GLOBALISATION - TOWARDS CULTURE 2.0?

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The question of culture has represented an enduring challenge for regional development theories, and has had difficulties in progressing beyond Granovetter's overdetermination dilemma (1985). The issue in trying to talk about regional culture as a variable in economic development is that it is really an indirect way of referring to the characteristics and capacities of particular regional groups (Keating et al., 2003; Kotey, 2006). At the same time, there is a risk in using it this way that it becomes reified into a regional capacity, automatically applicable and shaping the decisions and behaviours of individuals that are located in that region (cf. Saxenian, 1994). The rise of ideas around the 'creative classes' create a tacit link between the cultural preferences of individuals and

capacities/'potentials' at the regional scale (Boschma and Fritsch 2009). Even in restricting 'culture' to characteristics that are related to economic behaviours (think of entrepreneurial cultures, innovative cultures, thrifty cultures), there are still calls made to broader ideas that these behavioural tendencies become woven into regional structure through structuration processes (Boschma 2005). New concepts have been developed such as social capital and absorptive capacity in attempting to explain how individual behaviours create middle-range institutions which represent regional collectivities which influence both culture but also economic development (Hansson et al. 2005; Kallio et al. 2010; Van Reine and Dankbaar 2011). But this risks reproducing very functional and materialist readings of culture in its role of economic development processes, assuming historical causality which in turn undermines the idea of 'culture' as a variable with predictive power. Regional culture has been a particular weak point for territorial innovation models (Moulaert et al. 2003) and has become residualised, a means of explaining things that cannot be otherwise explained, or instrumentalised as a set of factors that promote or hinder effective regional innovation (cf. Tödtling et al., 2010). There is a tension between the ideas of corporate cultures in particular regions and more generalised regional cultures that are the basis for a wider shift in regions' economic development trajectories (Cooke and Rehfeld 2011). This paper begins from the premise that at least some of these problems arise because of an unnecessary emphasis and reification on the idea of regions as actors, rather than restricting their use as a means to talk about a particular scale of action. The paper asks the question how can the idea of regional innovative cultures be reframed as a scale of action for particular innovative communities, and how do the dynamics of those communities evolve over time. The paper draws on the recent work of Rutten & Boekema who argue that there has been a category error in recent work on territorial learning, and that the quantitative changes in the scope and scale of extra-regional communications have driven a qualitative shift in the nature of territorial learning (Rutten and Boekema 2012). We here draw on their idea of the knowledge economy 2.0 to develop the idea of 'regional innovation culture 2.0', as a framing of the way that regional innovation culture now operates in the contemporary context/. To further provide some insight into its functions, we look at one institution of regional innovation culture forming, the university, and explore how its impact on regional innovation culture has been understood in both knowledge economies 1.0 and 2.0, and suggest a framework for the role of universities in regional innovation culture 2.0. To empirically reflect on this conceptual framework, the paper then turns to use a case study of the region of Twente in the east of the Netherlands, an old textiles region with traditionally very low rates of innovation and entrepreneurship. Its regional university has since the 1970s been active in promoting innovation and entrepreneurship, and the region is now home to a range of dynamic, entrepreneurial and economic development networks leading to a steady stream of innovative outputs such as high-growth, high-technology businesses. However, to date, the influence of the university on culture has been understood primarily through a set of generative, static contributions. The paper instead looks at the how the communities associated with the university have emerged in Twente, their influence on the regional scale of activity, and their interaction with more vernacular business cultures and communities outside the university. This analysis provides the basis for a more general discussion seeking to specify more rigorously how culture can be conceptualised as a variable within regional territorial innovation models, and the relationships of culture to the social dynamics of innovation networks.

Gateway QVI

THE SUSTAINABILITY OF THE CLUSTERED GEOGRAPHY OF THE EUROPEAN CAR INDUSTRY

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The geography of the car industry in Europe is the outcome of a process of organizational change and changing production strategies. The paper begins with an analysis of the process of restructuring and theory of the spatial organization of the industry. It has been argued on one hand that there is a merging filiere in Europe, whereas on the other that the spatial organization of the industry, taking into account the relative location of Original Equipment Manufacturers (OEMs) and supply chain firms where the extremes might be seen as a Swiss cheese model or as a 'Babybel' model – the relative location of firms can be scattered or concentrated. The cluster model however has been increasingly referred to as describing the structure of the spatial organization of the industry. There are a number of clusters scattered in Europe. The question is: how far is the

clustered spatial organization of the industry sustainable? The paper first offers a general overview of the European car industry as a prelude to an examination of the geography of the industry as it is currently understood to be constituted. It then presents an analysis of the drivers to change in the industry and what are the challenges to the industry. It can be argued that in the pre-EU enlargement period in the early part of the 21st century, the geography of production in Europe was changing as Western Europe was losing production capacity to new member states in Central and Eastern European Countries. The CEECs are now integrated into the EU; the market has expanded and new production clusters have emerged, with the car producers and supply chain companies operating at a wider EU scale. As a result, considerable new production capacity has been set up in the CEECs. The question is whether - in 2013, with new applicants (and/or associates) to the EU, including Turkey- the geography of the industry will undergo change again, with a shift in production further east or to the South East (such as Turkey), or north Africa, in the search for lower labour cost and a new clustered structure will emerge in Europe. The challenge however may come from further afield, from China or Russia. Europe may lose production capacity to producers in Russia or those in the Asian market, and China in particular. Simultaneously, though, it can be argued that Russia and China are likely to (and even need to) develop their domestic markets, in which case European based producers may sell to these markets. However, it is likely that existing Chinese companies will nonetheless orientate towards developed markets such as that in Europe. It can be argued that they will make strategic alliances with existing European based producers (as they are doing already), or may open production plants in the EU, just as the Japanese did in the early 1990s and South Korean OEMs more recently. However, it can also be argued that, as far as possible, European based producers will adopt strategies to remain in business and will in turn forge strategic alliances with Chinese firms. This will sustain rather than threaten the car industry in Europe. It will remain a distinctive world-region base for the organization of production, consumption and, since co-location is an advantage, a geography of production characterized by localized clusters. This suggests that clusters are sustained by complex production and financial management regimes which poses issues for regional policy.

Gateway QVI

CREATIVE CLUSTER EVOLUTION: THE CASE OF THE FILM AND TV CLUSTER IN SOUTH KOREA

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Creative industries and creative clusters have been increasingly receiving theoretical and empirical attention within the last two decades (Hartley et al. 2012). However, evolutionary and history-informed perspectives are often neglected (Rantisi et al., 2006). This explorative paper, therefore, analyses whether notions of evolutionary economic geography can contribute to analyzing and explaining creative cluster evolution, by investigating the Korean film and TV cluster. With the help of semi-structured interviews with key stakeholders of the film and TV cluster in South Korea we will first identify the main changes and critical events in the cluster evolution. In a next step, the focus will be on examining co-evolution between film and TV firms and their institutional context through time. The paper preliminary concludes that co-evolutionary fits and/or mismatches strongly affect the adaptability of the creative cluster.

Gateway A

ARE STATE-OF-THE-ART REGIONAL DEVELOPMENT THEORIES APPLICABLE IN NMSS?

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Currently, there are two main theoretical schools relevant to competitiveness and innovation: 1) industrial districts, learning regions, clusters, triple/quadruple helix and regional innovation systems (RIS) and related concepts like knowledge bases, related variety, distributed knowledge networks etc. and 2) global value chains, global production networks (GVCs/GPNs). Both schools agree that the activity of actors (firms, R&D institutions) is influenced by their surrounding environment. However, while RIS et al understand surrounding

environment predominately in geographic terms (i.e. the role of distance and of geographic concentration), the GVC/GPN theory conceives the „surrounding environment“ in a vertical sense as relations to suppliers and customers in value chains which are often located in distant regions. In the presentation it is argued that while on the one hand, the proponents of highly relevant and insightful theory of GVCs/GPNs propose seemingly straightforward policy implications (i.e. to support various forms of upgrading), the literature on GVCs/GPNs provides only a few tools how to help SMEs from developing countries. Moreover, these tools are mostly designed to facilitate entering into these networks/chains, but not how to promote various types of upgrading. On the other hand, there is much less relevant theory of regional innovation systems (given the relative weakness of R&D and due to clearly dominating DUI mode of innovations in NMSs). However, proponents of RIS forward many specific policy recommendations which proved effective at least in (some) less developed regions. Consequently, it is argued not only that there is an urgent need to link properly these two streams of contemporary regional development theories, but especially that there is an acute need to develop specific policy recommendations stemming from insightful GVC/GPN theories how to promote upgrading of firms from moderately developed countries which are locked-in into the lowest tiers of these networks. Finally, based on hands-on experience with support of development of some NMSs regions, it is argued that state-of-the-art-regional development theories and concepts can: 1) improve understanding of real challenges of particular RD actors (e.g. position of firms within GVCs/GPNs or fragmentation of RIS) 2) provide inspiration for new approaches (e.g. related variety) 3) design better (i.e. more realistic) strategies and tools/incentives 4) help to justify public support into non-traditional spheres provided that these expenditures are shortly followed by tangible results attractive for decision-makers (Triple helix, RIS).

Gateway D

THE DIFFERENT DESTINIES OF GAZELLE FIRMS IN SWEDEN 1995-2010

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The different destinies of gazelle firms in Sweden 1995-2010. Borggren, Eriksson and Lindgren Abstract Research on high-impact firms (HGF), and indeed on the impact of small business in general, dates back to the late 1970s - early 1980s, when Birch used the term gazelles and had “an enterprise whose sales have at least doubled for the most recent four year period” (1981) in mind. The metaphor was intended to illustrate a small firm with twenty or fewer employees suddenly moving (i.e. growing) very rapidly for a short period of time, thus deviating from the general pattern of stabile economic growth (Ibid). Gazelles were initially thought of as revenue-generating only, thus researchers neglected other aspects of firm growth, but relatively recently employment has emerged as an equally likely measurement and definition of an enterprise having a un-proportionally high impact on the economy (Acs et al 2008). The literature on gazelles is growing and in an overview of approximately 20 different empirical contributions Henrekson & Johansson (2010) concluded that gazelles, apart from being the most important job creators, exist in all sectors of the economy with a slight over-representation in the service industries. Hence, gazelle firms play an important role in future regional economic development. Further, based on a Dutch study, Stam (2005) finds that gazelles are under-represented in remote rural areas. However, knowledge up to this date tells us very little about for example the internal dynamics of the gazelle concerning the knowledge base and whether agglomeration effects play a role in deciding the location. There’s been no research so far on how the knowledge base changes as a firm progress or on how periods of economic turmoil plays into these events. This paper examines the destiny of gazelles, or high-impact firms, in all sectors of the Swedish economy using a longitudinal database spanning 1995-2010. We measure gazelles using both employment and revenue growth based on a selection of small firms (1-10 employed) in 1995-1999. Special attention is given to how the knowledge base, more precisely the educational characteristics of the employed of the firms, and agglomeration effects, influence firm performance during a period of economic turmoil (the dotcom crash of 2000) and the following revival 2001-2008 and again the crisis years of 2009-2010. Using a unique employer-employee matched database we identify a number of different ‘destinies’ of gazelles. Status quo, normalized, closure, merger, acquisition etc. By studying the knowledge base of firms we examine whether there is a change in composition and how it effects firm survival in relation to the different destinies of gazelles. Preliminary results indicate that gazelles are found in a number of different sectors of the economy and that they respond well to the crisis in

2000/2001. However, it is not until 2005 that we observe substantial economic growth, indicating that the dotcom crisis had longer lasting effects than expected.

Gateway QV

EXPERIENCES AND FUTURE OF THE MULTI-ACTOR GOVERNANCE IN THE WARSAW CITY-REGION

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Lately, the good governance concept has grown in popularity, both among European researchers and practitioners. In Poland the concept is put into practice mostly in city-regions and what is remarkable, each of them differs in methods used to involve different actors into governance. This paper uncovers Warsaw specificity, dealing with programs enhancing cooperation between local government and non-government organisations as well as with public participation processes. It will be discussed what are the barriers and chances of broader governance implementing, especially concerning cooperation in the metropolitan area and within the public-private partnership. It will be also suggested that social capital enhancing can be a key issue required to capture current and future city-regions development.

Gateway QIV

DEVELOPING THE EXPERIENCE ECONOMY IN NON-METROPOLITAN REGIONS – CROSS-CLUSTER NETWORKS IN VÄRMLAND

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A challenge for many companies in the experience economy is that firms are small, struggle with low profits and, particularly in non-metropolitan regions, often are scattered over a large area. These challenges make it different for the firms to find time for accessing new markets and to innovate and engage in product development. One way of supporting firms in the experience economy is through different types of collaborations such as managing of cluster organisations and interactions between sectors. Clusterorganisations typically include different actors such as public agencies, local authorities and chambers of commerce in addition to the companies. They are traditonally including actors within their own field or bransch. When widening the perspective and crossing over traditional borders potential opportunities are created. This paper presents a project idea formed by cooperations and of existing projects that focuses on cross-sectorial networking in the Värmland region in Sweden. Värmland, a non-metropolitan region, is strongly identified as a traditional forestry region. Värmland is also known for the Värmland-model, a triple helix model between public agencies working with local and regional development, local authorities and university with a strong connection to established clusters in the IT sector, pulp and paper technology and steel & engineering. There is also the clusterinitiativ within the experience economy. One aspect of the study is planned to involve deeper research into the knowledge dynamics of cross-sectorial networks. In what ways can the traditional forestry, the experience economy and IT learn from interactions with each other and develop new businesses, innovations and competence development? In what ways can traditional industries learn from a servicebransch for example through being exposed to different ways of working and thereby perhaps avoiding getting locked in in established work practices? The project aim is therefore to study and support cross-sectorial networks between the experience economy and other sectors as the forest industry and the IT-industry to gain cross-sectorial knowledge dynamics and to create opportunities for new markets, new products and innovations. The ambition is that cross-sectoral interactions can contribute to regional development. The project will generate results through the combination of interdisciplinary research and commercial, cross-sector service development. The project will bring together researchers and theoretical perspectives from Media and Communication Studies and Human Geography and Tourism at Karlstad University and from a technological innovation perspective through the Interactive Institute. Related business actors will benefit from the broadened perspectives and captured values, assets and communication patterns the studies reveal. Business actors will take active part in the development of digital demonstrators that will generate knowledge on how to produce place specific interactive storytelling and information. The idea is that

new media can support new touristic uses of nature and cultural resources and increase the value of nature and culture. This is also beneficial to commercial private business actors, museums and public actors as Torsby kommun, Värmland. The project involves strategic alliances with museums in Värmland and in the Natur- and Culturepark Finnskogen in the northern part of Värmland, the Visit Värmland consortium (clusterinitiative), municipalities at the county of Hedmark, Norway. The joint venture between Karlstad University, the Interactive Institute, actors in the Nature- and Culturepark of Finnskogen has the potential to further strengthen Värmland and Hedmark as brand and destination. The project will also strengthen the knowledge exchange between academia and private and public sectors. The results from the project's academic studies will identify possibilities, potentials, limitations and problems in relation to the specific place and to various market segments. New perspectives and in-depth knowledge will help researchers to define aspects and potentials that need further attention and development. The Interactive Institute will implement the research results as a prototype smartphone application that can be used to enhance visitors' nature and culture experiences. The prototype will enable experimental development of a technological solution, exploration of digital narrative techniques as well as testing and evaluation. Related businesses can use the prototype as basis for new services that they have been part in developing and that is directly anchored in their environments and/or particular locations. Our partners in the area of Nature and Culturepark of Finnskogen will establish contacts with the Interactive Institute and can benefit from their competence and experience in this process. They also build a relation with Visit Värmland, which might lead to potential co-operations. In that way this research project will expand and facilitate entrepreneurship.

Gateway QIV

REGIONAL ECONOMIC CHANGE, ENTREPRENEURSHIP AND REGIONAL PATH DEPENDENCY IN NON-METROPOLITAN REGION

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This paper examines the evolution of industry development in a Non-Metropolitan Region characterised by an international oriented R&D industry. Recent theory of regional path dependent industrial development departs from characteristics of well-developed metropolitan regions or peripheral areas. A non-metropolitan region is often characterized as a small or medium city region, located between metropolitan and peripheral region and which holds less diversity in business life and fewer research and educational organizations. This paper argues that non-metropolitan regions experience other types of path dependency than in metropolitan and rural region. The paper provides theoretical justification for why non-metropolitan regions might end in a situation of lock-in where individual R&D intensive companies are innovative but the production system as a whole is becoming more fragmented. The paper focuses attention on entrepreneurial activity and path dependency. More in particular, the paper explore the extent to which growth and formation of new industry is related to path extension, path renewal and path creation. The paper contends that a non-metropolitan region need regional branching mechanism, such as entrepreneurship and spin-regional knowledge bodies, to avoid becoming "locked into" path extension. The case study is based on interviews with 13 company managers within electronic- and micro technology companies located in Horten/Tønsberg, just one hour drive from the capital Oslo. The region is selected due to its distance from the metropolitan area of Oslo and that the region is the home place for international oriented R&D industry and specialised production system. The empirical study focusses on three types of industries; large electronic- and microelectronic companies with more than 150 employees each (3 companies), business and technology consultancy (4 companies) and 6 start-ups/spin-out companies. The electronic- and microelectronic industry is selected due to its size and that it holds significant knowledge base for the region. Business and technology consultancy companies are selected because of its rapid growth and the role they play in the regional knowledge infrastructure as change agents. Start-ups are selected as indicators for new emerging business opportunities that may lead to path creation, path renewal and regional branching. The main empirical data source is interviews by CEOs, research and development directors. The interviews are conducted in connection with investigation carried out in the period of 2006 – 2010, which have made it possible to closely follow important developments in innovation activity, local collaboration and start-ups in the cluster over a number of years. The interview focused on the firms' history, their way of organizing innovation and learning process, their external innovation partners and knowledge flow, spin-off activities and use of input factors. The major finding is that, despite of decades with systematic building-up of regional institutional arrangements, there have been few new start-ups/spin-outs

leading to new sustainable firm formations. Only existing R&D intensive firms seem to do well by introducing novel product/services to the market. One important reason for this is that the success of the knowledge-based industry and its capability to utilize from external knowledge network, has limited the opportunity for regional branching to occur. R&D intensive firms are largely self-contained with competence; they have most of what they need for in-house R&D and production either through their corporation or through utilizing global organizations of work. Local knowledge collaboration and innovation is considered to be of less important among these companies. Most local collaboration occurs in small-scale or test production which rarely stimulated to a regional branching process that might enhance path renewal or path creation. Drawing on the main knowledge base in the region (industrialisation of applied micro technology research) and the build-up of a new regional knowledge infrastructure, the potential for path creation or renewal is present. A final findings is that a non-metropolitan region which holds an international technology oriented industry need a third part actor, such as a regional University College, to boost regional branching and entrepreneurship in order to avoid being 'locked into' path extension. The paper concludes that the framework of path dependency opens for analysing regional development and the role institutional arrangement play in regional development in a new way. The framework may provide new insights regarding how innovation policy is working. Present innovation policy focusing on stimulating growth of already existing industrial specialisation should be replaced by a much more explorative innovation policy.

Gateway I

THE INTEGRATION OF EU'S COHESION POLICY IN THE NEW ECONOMIC GOVERNANCE OF THE EU: ADDITIONALITY AND GROWTH-ENHANCING INVESTMENTS IN TIMES OF FISCAL CONSOLIDATION

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In the current macroeconomic context, public investment has been reduced in many European countries. This decrease has not been compensated by private investment, which is not picking up in the EU (or decreased even more than public investment), as consumers' demand remains weak (European Commission, 2012, 'European Economic Forecast Autumn 2012', European Economy 7-2012). In 2013 the European Union is expected to register its all-time low record of fixed public investment (2.1% of GDP) (ibid.). The budgetary and fiscal consequences of the crisis have also put a significant burden on public finance of regional and local authorities. In many Member States regional and local authorities have been urged to adopt a stringent budgetary discipline as their debt represents a significant percentage of the general government debt (OECD, 2012, 'Sub-national government manoeuvring room to finance public investment: where do we stand?'). To address short-term challenges, public investment is often one of the main items which suffer from significant reductions in order to address short-term budgetary targets. This puts the effectiveness of medium-term investment programmes, often related to key public services, at risk, with a potential weakening of the recovery capacity of both more and less developed regions. Cohesion funding and the related national co-financing represent an important part of national public investment in many Member States. In countries facing budgetary problems or implementing fiscal consolidation measures, Cohesion policy has become, more than ever, a fundamental source of funding to preserve growth-enhancing investments. This has supported national and local authorities to maintain or launch investment plans in areas such as innovation, training, education and infrastructure. These investments are supporting Member States and regions in their efforts to overcome the crisis. This does not mean that EU-funded measures substitute national interventions. Additionality, a basic principle of Cohesion policy, aims to ensure that cohesion investments complement but do not replace national investments (European Commission, 2012, COM(2012) 496 final). Based on the experience of the 2007-2013 period, the EU Commission has launched a reform of the additionality principle to tackle the possible 'trade-off' between additionality and the public deficit in a transparent and public framework. This is an important step to integrate EU cohesion policy in the EU economic governance, transforming EU cohesion policy into the core of the 'investment pillar' of the EU strategy for growth and jobs. The proposed paper will: 1. Examine the increased significance of EU Cohesion policy for public investment in the current macroeconomic context; 2. Analyse the process of evolution of EU cohesion policy into an EU investment policy; 3. Explain the rationale of the additionality principle and its reform for the 2014-2020

period. - - - Disclaimer: This paper represents solely the views of its authors and cannot, in any circumstances, be regarded as the official position of the EU Commission.

Gateway QI

MEASURING COMMUNITY COHESION AND WELL-BEING IN RURAL ENGLAND: A LONGITUDINAL STUDY

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Community cohesion is an important concept which indicates the level at which people living in a community do congregate and socialise. In recent years, a number of studies have shown the importance of community cohesion with regard to communities' health and well-being. In Britain, recent research (Cabras 2011, Canduela et al 2011, Cabras et al. 2012) has demonstrated that in communities where community and social cohesion are higher people feel more included in communal initiatives, individuals are happier and in the most extreme cases enjoy better health. In these studies, pubs have been indicated as important hubs to foster social cohesion in a community. Indeed, pubs facilitate interpersonal communication among individuals and are important incubators for the development of human relationships, social networking and communal activities. While pubs appear to be important assets for rural communities, their numbers have been constantly declining in the past twenty years (Leach 2009), similarly to what happened to other small businesses and services located in rural areas of England. Their disappearance often results in the vanishing of socio-economic benefits arising from initiatives which frequently have an origin in these places, which work as a network tier for the entire area. And of course, their disappearance affects the quality of life and well-being of people living in rural communities and remote areas. The aim of this paper is to contribute to the research made so far in the field. In particular, the authors wish to replicate a previous study conducted in rural England by examining fresh data gathered from the UK 2011 Census. In order to do so, the authors used a unique dataset formed from the attributes of about 2,800 rural parishes in England. The dataset was compiled from a number of sources, such as the office for National Statistics (ONS) and the National Archives (NA). Information comprised in the datasets is diverse and span from socio-economic data to aspects of rural life, such as the organisation of markets and social events, volunteering services within communities etc. However, a significant part of these data have been obtained by the UK 2001 census. The authors have then replicated the very same dataset by using those provided from the last Census occurred two years ago. This exercise enables the authors to conduct a longitudinal study in order to identify and explore any significant variation in the data occurred between the two national surveys. Results gathered from this study will be discussed and analysed with regard to issues concerning well-being and sustainable life in peripheral and remote areas of England. In addition, findings will be discussed in relation to policies and initiatives which can save those businesses and places which foster social aggregation (e.g. pubs, village shops) from closure.

Gateway A

THE ROLES OF UNIVERSITIES IN URBAN INNOVATION SYSTEMS: EXPERIENCES FROM CHINA

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This paper is aimed to understand the role of universities in regional innovation systems in China. It particularly examines how the Chinese practices concerning the universities' engagement with the society for promoting regional innovation systems are different from the western experiences which has been often understood within a triple helix framework Etzkowitz and Leydesdorff (1995); (Etzkowitz & Leydesdorff, 1997). Innovation systems consist of complex functions and interactions among various organisational actors, including government, enterprises, universities and research institutes, as well as institutions in the forms of governmental policies and social norms (Edquist, 1997; Kumaresan & Miyazaki, 1999; Lundvall, 1992; Nelson, 1993; OECD, 1999). Accordingly, Etzkowitz and Leydesdorff (1995, 1997) has developed the triple helix model

for understanding dynamic interactions between university, industry and government, which foster entrepreneurship, innovation and economic growth. In the fields of innovation system, research policy, and higher education research, the triple helix model has been commonly used as a normative framework for understanding interactions between key actors in innovation systems. It has also become a common strategy of many governments in developing national and regional innovation systems. In spite of the popularity of the triple helix, it has also encountered controversies and criticisms. One criticism paper is that the triple helix model has paid little attention to national contexts (Balzat & Hanusch, 2004; Shinn, 2002, p. 610) and other social settings (Cooke, 2005, p. 1130). Therefore, the triple helix framework can hardly provide appropriate rationales on which systematically structured criteria and indicators can be developed for researching, measuring and comparing different empirical cases (Mowery & Sampat, 2004) especially when the cases are in different national and culture contexts (Eun, Lee, & Wu, 2006). It should be noted that the formation of the triple helix model is a result of inductive theorising but mainly in the contexts of western countries. Although there have been increasing amount of studies applying the triple helix concept in developing and transforming countries, as demonstrated by the conference papers in the triple helix conferences and a big volume of journal articles, some scholars (For example, Eun et al., 2006; Williams & Woodson, 2012) argue that many of these studies have not sufficiently realised that some fundamental assumptions underlying the triple helix model are less likely to be found ground in developing countries. In line with this thinking, I will analyse the context of Chinese innovation systems and examine the particular characteristics of Chinese universities in regional innovations systems.

Gateway D

MIGRANT ENTREPRENEURS AND LOCAL NETWORKS IN INDUSTRIAL DISTRICTS: AN INNOVATIVE APPROACH TO STUDY REGIONAL RESILIENCE

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Economic regions are far from being the quiet and static environments formerly described by classical models. The globalization of markets and production activities is rapidly reshaping the economic landscape, breaking the existing local equilibriums and leading an increasing number of regions towards new irreversible scenarios. The challenge raised by this phenomenon is particularly steep for Marshallian industrial districts, where the simultaneous action of centrifugal and centripetal forces and the consequent reactions of local business populations have triggered a reshaping process of these formerly closed networks. In this evolving context, the survival chances tend to be higher for firm populations showing adaptive behavior. Understanding the nature of these forces and interpreting their effect on the evolution of these regions is a relevant question with key policy implications. The aim of this paper is to interpret the evolutionary dynamics of Italian industrial districts by focusing on a centripetal force that is gradually redesigning the internal structure of local networks: the rapid diffusion of migrant entrepreneurship. During the last thirty years Italy has experienced an increase in migration flows from both EU and non-EU countries. Despite this increasing presence of foreign communities migrant entrepreneurship has remained a relatively limited phenomenon. However, the data at disposal reveal that a drastic change in the original scenario is currently taking place, with an increasing presence of migrant businesses in several sectors of the Italian economy. Interestingly, in manufacturing activities this presence often tends to cluster around industrial districts. This trend may be the result of individual rational choices or rather could be explained by the presence of asymmetric information generating irrational expectations on profits achievable in particular locations. In both cases, the survival chances of the migrant entrepreneur critically depend on their ability to establish solid links with the existing local network. In this context, an industrial districts can be identified as resilient when the system succeeds in assimilating the newcomers into the network without hindering the indigenous firms. The integration of new entrants represents a unique opportunity when industrial districts can exploit the benefits arising from potential accumulation of diverse know-how and from the connections built by foreign entrepreneurs in their home countries. The empirical investigation implemented in this paper provides evidence of the survival trends of indigenous and migrant firms in different types of local systems, in an attempt to find a systematic relationship between the survival chances of a migrant entrepreneur and the decision to set up a business inside an industrial districts. The aim of this empirical exercise is to identify the conditions under which the “district effect” is exploitable by migrant firms and whether this benefit is compatible with the stability of the local firm population. Our analysis is

implemented on a sample of micro and small firms extracted from the Italian Studi di Settore database, focusing on the manufacturing industries where the presence of migrant firms is particularly evident. A major benefit from using this data source arises from the possibility to identify a significant number of businesses excluded from the most commonly used firm-level databases, thus unveiling a relevant grey area where immigrant entrepreneurship has mushroomed in the recent past. Although our empirical approach is probably not sufficient to provide direct answers on how resilience is taking place in industrial districts, this investigation contributes to the existing literature by offering hints to evaluate how the entrance of migrant entrepreneurs is reshaping several local systems and whether the adaptive behavior of local firm populations differ according to the industrial district typologies. It is believed that this work will foster further discussion in the field of regional resilience, interacting with the existing literature and providing an innovative approach to understand the evolutionary dynamics of regional development.

Gateway D

BANK PERFORMANCE IN BRAZIL: A REGIONALLY ORIENTED ASSESSMENT

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In the last couple of decades, the economic literature has become concerned about competitiveness, stability and efficiency of banking markets. More recently, stability issues have become a prominent topic of study, given the market conditions after the 2007-08 financial crisis. In these works, cost- and profit-efficiency of banks are usually related to bank size, type, and market concentration as parameters of evaluation. Increasing returns to scale are also used to explain how banks minimize (maximise) their costs (profits). However, the returns' to scale argument is usually devoid of any spatial meaning, rendering the studies of bank efficiency incomplete or partial. The first objective of this paper is to address this theoretical void. Banking systems manage their asset and liability portfolios according to intrinsic regional characteristics, which clearly have an impact on their cost and profit efficiency. As finance and funding processes are uneven throughout the territory, an efficient banking management shall consider these regional imbalances while adjusting their portfolios. Therefore, in addition to current studies on the topic, this paper argues in favour of analysing banking efficiency according to spatial attributes such as the regional hierarchy of the banking network, the regional distribution of banks, and the regional polarisation of monetary flows. High banking regional centralisation and concentration confine returns to scale on banking services to very specific regions, where the financial markets are more developed, less liquid, and stable. This is because returns to scale are not only determined by internal economies, where banks assess their financial parameters and establish profit targets; returns to scale are also given by external economies, where banks evaluate spatial conditions in the markets they operate. Given their planned profit targets, the banking system sets the price of its services (charges and interest rates) regionally, according to spatially diversified prospects of liquidity and returns. Thus, in order to better understand the spatial effects over bank performance and its outcomes to regions, this paper initially suggests which regional attributes must be considered and how they relate to bank performance. The regional distribution and the centrality of the banking system are investigated as parameters that alter the cost-efficiency of banks. Moreover, the distribution of regional monetary flows is also investigated, since it is important to consider how the attraction and leakages of flows can alter liquidity conditions over the regions. Secondly, an empirical analysis is carried out, allowing the estimated effects of each regional attribute on banks' costs to be considered.

Gateway H

BRANDING A METROPOLIS GREEN: LESSON FROM HONG KONG

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In attempt to attract tourists, investors and professionals from other regions, cities have begun to study how to promote, market and even brand their competitive advantages and make these advantages sustainable.

Place branding has therefore been an emerging and fast-growing area for cities to compete for various types of resources and attention under the age of globalization and urbanization. Among different kinds of attractions and resources, it is observed that some cities have long identified their abundant green resources such as parks and green spaces, as an advantage in promoting and marketing their cities as liveable and sustainable. Nevertheless, there appears a dearth of knowledge and theoretical development in studying ecological or environmental factors like green resources as themes for city branding. Hong Kong has been officially branded as the 'Asia's World City' for more than a decade. While the city continues to focus on traditional mass tourism activities, there has been a call for a greener living environment and higher quality of life. The current city brand only includes the ideas of blue sky and sustainable development. In fact, in addition to a unique harbour view, Hong Kong also possesses rich resources of city greening such as protected areas, parks and green spaces, trees, and landscapes scattered around the territory. To achieve utilizing these green resources as a theme of city brand, what lessons can be learnt from the concept and models of place branding? Anholt promoted that a city brand should contain six dimensions, namely Presence, Place, Potential, Pulse, People and Prerequisites. These dimensions represent different hard and soft aspects of cities respectively and contribute to establish the City Brand Hexagon. Modifying from the Anholt's framework, this research proposes a City Green (Resources) Brand. This green brand includes twenty three elements of green resources of a city, which are placed in Hong Kong as a case study. Through a structured questionnaire survey with major city consumers like local residents and tourists, the pilot results of the study reveals a pentagonal pattern of brand dimensions. As part of a doctoral research, this presentation aims at: (i) introducing how the City Green Brand is built upon place branding literature; and (ii) discussing the presence of a distinctive set of green brand dimensions be identified in Hong Kong, based on perceptions of major city consumers. This research contributes to bridging the gap of theory and knowledge between city branding and environmental resource management. It also shows the potential of disseminating the local knowledge to a regional scale.

Gateway QII

REGIONAL INNOVATION LEADERSHIP AND THE EVOLUTION OF INSTITUTIONS IN NORTH EAST ENGLAND

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It has been rightly noted that leadership is a neglected issue in studies of regional policies, and not least in studies of the evolution of regional innovation policy (Sotarauta and Pulkkinen, 2010). Regional performance is seen as a consequence, in part, of the existence and design of regional institutions which seek to build new strategies, connections and infrastructures to promote innovation and enterprise. Yet our analysis of these institutions lacks an understanding of the enterprise needed to design and build those institutions. Even in the construction of regional innovation strategies it has been noted in an evaluation of the RITTS initiative that an important component of success was the 'legitimacy and capacity of the project leader' alongside political support and management (Charles et al, 1999). Regional capacities such as innovation capacity, economic context and existing institutions were necessary but not sufficient. Yet in the promotion of the new smart specialisation strategies in Europe there has been no real debate about leadership apart from a recognition that the identification of opportunities requires an 'entrepreneurial process', which is itself not defined. This paper therefore seeks to explore what we might mean by institutional entrepreneurship in the context of the development of regional innovation policies by consideration of the evolution of such policies in a case study region over a period of twenty years. The tale of innovation policy in North East England is often told, but in most cases it is surprisingly devoid of people. Accounts of the emergence of new policy initiatives and their implementation focus on the establishment of new institutions (Hudson, 2011; Goddard et al 2012), but rarely are the entrepreneurial individuals in these institutions mentioned. The question is whether the individuals make a difference? Is there a different story from the institutional tale, albeit only subtly different, if we focus on the people? How do we know that people matter? The paper seeks to explore how and why individual institutional entrepreneurship might matter, by focusing on a series of events or developments in the emergence of an innovation strategy in North East England. Key individuals are identified as actors during these events. The empirical evidence derives from an active engagement of the author as a researcher in the region during the events described, undertaking studies for some of the people and agencies identified, commenting on proposals and consultations, participating in meetings and interviewing people as part of a diverse set of studies in the region. The paper thus seeks to bring together personal recollections and

reflections with interview and documentary material. The case study material presented spans a period from the origins of a regional innovation policy with ERDF support in the early 1990s, the formation of regional collaborative initiatives in the late 1990s, and the formation of a regional development agency with its own science and innovation policy during the 2000s. The recent demise of the RDA and withering away of much of the region's innovation strategy provides a point of reflection on what difference was made and how.

Gateway C

ON-GOING TRANSITION: CHANGES IN SOCIO-ECONOMIC STRUCTURE OF RURAL POPULATION IN POLAND

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Rural development strategies have attached great importance to speeding up the multifunctional development of rural areas. This primarily means increasing job opportunities for rural residents, encouraging rural entrepreneurship in non-agricultural activities, seeking new ways to utilise the existing production capacity. The majority of such efforts are aimed to find new sources of income for the rural population, thus to reduce excessive agricultural employment. Significant land fragmentation, characteristic of Polish agricultural holdings, and, regardless of the imbalance in the labour market, the situation in agriculture pushed farmers to seek alternative incomes. After the economic transition period in 1990s the generally improving economic conditions and significant land fragmentation contributed to greater interest in non-agricultural activities, thus more new rural households became non-farming families. This process has been continued after Poland's accession to the European Union. From 1988 the number of non-farming rural families rose by 18 percentage points, up to as many as 60% of all the rural households in 2011. It may be assumed that this socio-occupational category will increasingly determine the local development of rural economy. The paper analyses the structural change in rural economy and socio-economic situation of rural population in Poland. Research findings presented in the paper are based on various source data available, the main empirical material being the findings from field surveys conducted regularly by the Institute of Agricultural and Food Economics - National Research Institute. The last, 2011 survey covered more than 8 thousand rural households (both farming and non-farming) located in 76 villages across Poland.

Gateway QIII

COUNTER CURRENT IDENTITIES OF TROUBLE REGIONS AS A RESULT OF COMPLICATED CENTRAL EUROPEAN HISTORY: AN EXAMPLE OF NORTH-WESTERN BOHEMIA (CZECHIA)

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The region and the regional identity are an intersection of delimitation according to the relational closeness based on selected characteristics (identity of the region) and the relational closeness based on mutual identification of concerned subjects as inhabitants of a certain region (regional consciousness). We understand relational closeness as territorial relational closeness and not the time closeness, because the identity is a social process of perpetual re-writing of the self and social collectives. During the time it is possible to gain as well as to lose it, either it could be reinforced or it could decline. This is true for the own identity of each individual and for both components of regional identity (regional consciousness and identity of the region). The aim of the contribution is to point out the problems of the level of regional identity of inhabitants of a region in connection with the reproduction of this identity. By different methods, we will try to find areas with a lower level of regional identity in Czechia and to assess their chances to change the regional consciousness and the image of the region. The paper focuses on driving forces behind the formation of regional identity in Czechia. General questions regarding regional identity and the development of conditions for its formation

during the 20th century are discussed. With an emphasis on the societal changes, which occurred in Czechia after WW II, and the fall of the communist regime in 1989, and during the period of European integration. Special attention is given primarily to changes in the territorial organisation of society, the public administration and the landscape, and the impacts of those changes on the regional identity of residents. Territorial identity conflicts, in the sense of barriers to the future development of regions at various scale levels, are discussed. The typology of Czech regions according to the undertaken process of their regional identity formation is presented: (i) regions that have gained sovereignty and identity forming has followed; (ii) regions with "traditional" regional identity that have not gained full sovereignty and their institutionalization has not been completed; (iii) regions with "lost" identity which have lost identity holders; (iv) regions "seeking" identity, partly or purposely institutionalised. Our research focused on regions, which are often perceived and classified as areas of intensive landscape change – the borderland regions that were resettled after the transfer of the Czech Germans (after WW II), regions with 'lost' identity. The North-Western Bohemia region can be defined as an area that experienced intensive landscape changes and for which the impact of these changes on inhabitants' relationship to the territory they live in is evident. To analyze how the image of the North-Western Bohemia region is perceived from the outside by the population of Czechia as a whole, a questionnaire survey was conducted throughout the entire country. The survey was conducted by the Public Opinion Research Center of the Institute of Sociology of the Academy of Sciences of the CR. The survey was conducted 3-10 December 2012. A standardized questionnaire was created just for this survey; from the original 30 questions that were proposed, only several of them were selected for the questionnaire after a critical discussion. The questions that were excluded will be used in part in a future survey in the study area of North-Western Bohemia that will be conducted in 2013 and will concentrate primarily on the question how are the characteristics of the area perceived by its inhabitants and on the analysis of territorial differentiation in feelings of identity of the inhabitants. The survey of the outer image of the area was conducted by trained interviewers who conducted personal interviews with respondents. Respondents were selected using quota sampling and selected from the entire population of Czechia older than 15, where the quotas were defined by regions (NUTS 3), the size of municipality the respondent lives in, sex, age, and education level. The total number of people interviewed for this survey was 1047. The data acquired from this survey will be evaluated during the first half of 2013. It is obvious that development of the trouble region of NW Bohemia cannot be formulated only inside the region (with stress laid on the solution of its current problems and socio-economic maturity). Also outer and socio-cultural interdependencies formed in the long-term (revitalisation of historical regions, forming new regions, strengthening of the sense of belonging of people to regions and change of their outer image) will play the key role in future development of the territory.

Gateway A

INNOVATION DYNAMICS OF REGIONAL GROWTH IN UKRAINE

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The period of the post-communist transformation in the economic development of Ukraine lasted much longer in comparison with other Central European States, leading to serious problems and complications in its innovation complex, which had been duly considered to be among the leading sophisticated ones within the former USSR Republics. In the mid 1990-s the annual GDP decrease amounted to 25 %, triggering the growth of regional asymmetries. In the end of the XXth century Gross Regional Product per capita of Kyiv (the capital of Ukraine) reached almost 50 % of the average EU-15 GDP of Region (NUTS-2), whereas the rest of Ukrainian regions were identified on the level of 15 % - 25 %. At the beginning of the XXIst century the monocentric development was overcome in part due to the intensive growth of basic metals exports of Donetsk and Dnipropetrovsk regions, which experienced some rapprochement with the capital, falling however far behind the latter. At the same time, the asymmetries in the level of Gross Regional Product per capita between the capital and the depressed regions of Ukraine (Chernivtsy and Ternopil regions) reached the ratio of 3:1 in favor of Kyiv. In the middle of the first decade of XXIst century asymmetries were aggravated. At the start of 2011 the ratio "Kyiv versus Ukraine" was 3:1, and "Kyiv versus Chernivtsy region" – 6,4:1. The comparable disproportions in the ratio "Kyiv versus Ukraine" could be found in relation to the FDI per capita (8,3:1 in 1996; 5,1:1 in 2006; and 8,16:1 as of 31.12.2012). Thus the capital of Ukraine produces 18,2 % of national GDP, concentrating almost 50 % of FDI in 2011. The similar problem of hyper-concentration is also characteristic of

some small Central and East European States (Estonia, Hungary, Czech Republic, Slovakia), which face significant concentration of business activities in their capital regions. For Ukraine, however the situation is not typical, as the population of Kyiv accounts for less than 7 % of the total population of the country. The driving force for the further regress in the innovation development of Ukrainian regions is the unbalanced structure of the FDI. Engineering accounted for only 8,3% of the FDI stock in industry, whereas basic metals sub-sector's share of the total industrial FDI stock amounted to 42 % in 2011. This may result in certain technological re-equipment of steel-producing regions, but will preserve their poor specialization profile for years on. So, these regions might be treated as the old industrial regions according to the EU classification. The factors affecting the regions positions in Ukraine are the following: - almost absolute lack of regional planning due to poor financing of such projects. The President's proposal on the establishment of the Regional Development Foundation of Ukraine remains unaccepted. Thus we may conclude, that Ukraine tends to implement a neo-liberal rather than neo-Keynesian model of regional development; - active migration of the creative stuff both to the capital region, and abroad aggravates intellectual disproportions, whereas the economic effect of the outsourcing of a number of companies is reaped beyond the Ukrainian borders; - reluctance of both foreign and national businesses to invest in high-tech and innovation spheres (the unofficial second capital area – Kharkiv region – hosted 8,8 times less FDI per capita in comparison with Kyiv); - estimates concerning the growth of military exports remain unjustified (although Ukraine was included to the top-ten world weapons exporters at the beginning of XXIst century, it risks to loose these positions due to the lack of technological upgrade of fixed capital. This will affect Kharkiv and Dnipropetrovsk regions most of all).

Gateway D

SERVICES OF GENERAL INTEREST AND REGIONAL DISPARITIES – A PERSPECTIVE FROM EU REGIONS

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The Services of General Interest (SGI) are seen as “a key element in the European model of society” and are defined as 'market and non-market services which public authorities class as being of general interest and subject to specific public service obligations'. (EC: 2001/C17/04), like the provision even in the places where demand isn't enough to have efficient services. In this order, the public authorities should provide the SGI within certain parameters of quality, availability, accessibility and affordability, in order to be fully accessed by everyone. Nowadays the provision of these services is affected by several factors and it is not equal across the European territory. Distinct political-administrative organization models of countries and the consequent variation in the organization of systems can have a significant impact on process relating to the provision of services. The European regions have very distinct characteristics, needs and potentials which introduce huge regional differences across Europe. According to these regional variations, countries adopt diverse strategies and take different paths towards convergence, which can leads to significant disparities in the provision of SGI. Are the differences between the urban and rural regions enough to explain the regional disparities seen across the European territory? Or these disparities are a result of different political-administrative contexts and paths followed towards the convergence? In order to find clues about the answers to these questions, a database with SGI indicators was created, based on the available EUROSTAT data and ESPON typologies related to territorial occupation. The European territory is revised in order to understand the relation of the regional provision of SGI and the different regional levels of urbanization/rurality. An indicator based on the EDORA ESPON project, which allows to see some patterns across the Europe and to identify some regional relations with the provision of SGI. The urban influence is traduced by population density and the MEGAS network indicators. In some domains of SGI, the higher regional levels of provision are founded in higher urbanized territories, mainly in the Services of General Economic Interest (SGEI) like the ICT Telecom, the Transports and the Infrastructures. In these cases the urbanization\rurality of territories is considered as a significant distinguishing factor, however this is not valid for all the domains of SGI. For the domains of Social Services of General Interest (SSGI), like the Education and Health Care, this factor does not allow to explain the European regional disparities. In this case, it is more complex to explain the disparities and the social model of each country and their financial and health care system could play an important role and be important factors to consider. In this particular aspect, we highlight an example that arises from the analysis of three health care

indicators: “number of hospital beds per 100 00 inhabitants”, “physicians and doctors per 100 000 inhabitants” and “professional nurses and midwives per 100 000 inhabitants”. The Nordic and the Eastern countries present completely different situations. The first ones present very low regional values of hospital beds but high regional rates of health personnel per inhabitant, on the contrary, the eastern countries, present higher regional values of hospital beds and low rates of health personnel. These values are mainly explained by the differences that exist in the health care system of the countries. The profile of investments adopted in Sweden is just an example. The investment in high-tech equipment allows cutting the number of days recovering in bed, causing a decrease in the number of hospital beds. The differences between the Nordic and Iberian countries, where the first present high values even in rural areas could also be partially explain by differences in the social model but also by diverse financial capabilities, showing that the convergence process is not only dependent on social and political contexts but from the efforts to pay this convergence process.

Gateway QVI

KNOWLEDGE NETWORKS PROPERTIES AND EVOLVING CLUSTERS: EVIDENCE FROM THE EUROPEAN MOBILE PHONE INDUSTRY

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The question of cluster life cycles and regional resilience have seen a growing interest during the last years in evolutionary economic geography (Suire and Vicente, 2009; Menzel and Fornahl, 2010; Boschma and Fornahl, 2011; Crespo, 2011; Balland et al, 2012; Crespo et al, 2012). The literature has pointed out a wide range of variables parameters. We focus on the structural properties of knowledge networks, and the critical role they play in the clusters long term patterns (Owen-Smith and Powell, 2004). Our contribution proposes to isolate and test the particular role of two structural properties of knowledge networks: The degree distribution and the degree correlation. The first one relies on the hierarchical structure of the cluster based on the relational positions of local actors. The degree correlation relies on the level of assortativity of local knowledge networks (Watts, 2004). We discuss these properties and disentangle how they play together in the ability of clusters to set up technological standards (technological lock-in) and overlap exploitation of mature technologies and exploration of new related ones (territorial lock-out). Combination of both properties let the cluster connect and disconnect their cycle from the technological cycle in order to maintain a stable growth pattern. The resulting propositions are tested in the field of the mobile phone industry in Europe and their four successive generations from 1984 to 2010. Regional knowledge networks to measure the degree distribution and degree correlation are built from European Framework Programs collaborative projects (Scherngell and Barber, 2011). We use EPO patents to capture the performance of clusters along the industry cycle.

Gateway B

HOW EMBEDDED ARE REAL ESTATE MARKETS? PLAYERS, INSTITUTIONS AND TERRITORIES

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Making researches in various regional contexts, we've felt more and more uncomfortable with the This paper consists in building a typology of real estate markets (and more precisely housing markets) following the players, the type of building and the institutional and territorial contexts. On the basis of researches conducted in various regions in Switzerland, a conceptual framework is developed out of Fernand Braudel's understanding of the economy. Braudel makes a distinction between three 'storeys'. The first one is self production and self consumption, where the use value dominates. In our case studies, this corresponds to rural regions, where many people act as self promoters when looking for a house, or when building one. Duncan et Rowe (1993) speak about self-provided housing and even self-build housing. A significant part of the

financial means come from the owner or from the family. The second layer is made of the market economy, where he exchange value leads behaviours. Professional promoters produce houses, development housing or larger buildings to be sold either to residents or to investors. Most of these operations are financed by bank loans. In our cases, this corresponds to small or medium sized cities, where local promoters hold the market. The third level of Braudel is capitalism, which has to be clearly distinguished from the market economy. Here, profit orients the actions large players. The aim is no longer in use, or in exchange. This storey can be divided in two parts. In the first one, we find players looking for long run stable incomes, like pension funds who own large buildings for tenants. The second case is made of players who look for short term profits, who buy and sell building or, more often, shares related to real estate securities on financial markets. These various systems cannot be found everywhere. If financialised real estate capitalism is typical of large, usually financial, metropolitan centres, more long run oriented players have also properties in smaller cities. Professional promoters can be found in all cities. Self providing practices exist probably everywhere, from rural places to large cities, if we consider that cooperative housing belongs to this category. While simple, this typology allows understanding why real estate markets are so diversely organised. Real estate gets at the same time a use value, an exchange value and is a financial asset. This value is largely influenced by the location and the institutional context.

Gateway D

FINANCIAL SYSTEM RESILIENCE: THE CASE OF BRAZIL

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The discussion about regional resilience have been having increasing attention in economic literature. Originally used in ecological and physical sciences, the concept of resilience has been used to understand how some regions are able both to resist and to recovery of an external shock. Using the concept of adaptive regional resilience developed by Martin (2012) and Simmie and Martin (2010), the paper tries to apply the use of this concept to other areas of regional interest: regional financial systems. The option of apply the concept of resilience to regional financial system is based on the understanding that financial systems are not spatially neutral but their behaviour are affected by the feature of the territory and they have an actively and intentional action that contributes to the understanding of the regional disparities shown inside countries. Using the case of Brazil as an empirical evidence, the paper aims to use the concept of 'adaptive resilience' to understand how regional financial systems inside the country had managed to respond to financial shocks that has a huge impact in it after the end of the 80`s. There is a huge literature that shows that financial system in Brazil has an important role in the explanation of its regional disparities (Crocco at al 2005, 2010). This literature shads light on the perverse behaviour of financial system that don't facilitate financial intermediation on regions where it is most needed. Indeed, the supply of credit and other financial services are more available in those regions that are more developed. This behaviour is not only a consequence of regional features but also a strategic behaviour of financial system that contribute to the both the maintenance of the regional disparities but also its increase. This behaviour remains even after a series of events (shocks) that have implied in a strategic change of the financial system behaviour. One relevant example of this change of strategy is the end of the hyperinflation in the beginning of the 90`s, which supposed to have forced the financial system to increase its supply of credit. However, this did not happen as others shocks. It is important to note that the concept of resilience used in the article is a negative one. During the period of the analysis, shock after shock, the Brazilian financial system remained nonfunctional both in the sense of not providing the desired volume of credit as a whole and in its regional operations. Four major shocks can be pointed: the end of the hyper inflation in the 1994; the Asian crisis of 1998 and its impacts on Brazil, mainly the end of one to one exchange rate between USA dollars and Real (Brazilian currency); the opening of the Brazilian market for foreign banks; and financial crisis of 2008. All of these shocks had implications for the operations of financial system, specially in terms of the bank's strategy to search for profitability. Despite of that, the financial system remains not functional and regionally unbalanced.

ROLE OF LOCAL ACTORS IN THE LAND USE CHANGE PROCESSES; RESULTS FROM THE ESPON EU-LUPA PROJECT

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The presentation will summarize the outcomes of the EU-LUPA project which constitutes a first attempt within ESPON framework to assess land use changes in Europe at regional level. Based on data from different sources and at different scales, the EU-LUPA project provides a consistent methodology for analysing comparable information about patterns of land use change in European regions and cities. Moreover, the project supplies regionalised information integrating the physical dimension of land use (land cover) with socio-economic and environmental dimensions. EU-LUPA uses a multi-sector perspective based on a stepwise process. This builds on the following main components: (1) Land use characterization; (2) Prevailing characteristics of land use; (3) Amount of land use change; (4) Intensity of land use change; (5) Hotspots of land use change; (6) Land Use Change typology; (7) Land Use Functions approach; (8) Case studies and (9) Policy recommendations. The concentration in the presentation will be given to results from cases studies. They were used to better understand hidden land use processes not captured through analysis at the European scale, and to validate and better understand the main project outcomes. Four areas in EU have been selected: Öresund a cross-border region with highly differentiated and multifunctional land use structure (from urban core, semi-urban to arable); Eurocity Basque Bayonne-San Sebastián - a cross-border region, with high share of urban areas in a multifunctional rural setting which is still dominated by agricultural activities;; Chelmsko-Zamojski, which is located on periphery (EU border) and characterised as a monofunctional agricultural region; and Jeleniogórski located on the Poland-Germany-Czech Republic borderland with multifunctional land uses reflecting the economic transition taking place there. The completion of four case studies revealed the general conclusions for the EU LUPA project as a whole: - In the regions characterised by domination of mono-functional land use, the Land Use Change Typology identifies correct types of changes; - The effect of current changes in the land use is a deeper diversification of land use functions and land use intensity; - The changes of land use characterise the process of spatial polarisation; - It is remarkably important to be cautious when elaborating policy recommendations since, at the case study level, some dynamics could be covered by average results at the EU level; - Scale of the analysis and quality of the data are crucial: Better resolution at regional scale is required; - Spatial planning traditions, systems, policies and strategies and the differences between regions and countries are very important when analysing the results. In the presentation special attention will be given to role of local actors in the process of land use changes on the local scale.

UNBALANCED DEVELOPMENT AND SPATIAL JUSTICE: REGIONAL POLICY DISCOURSES IN SOUTH KOREA

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Uneven spatial development has been regarded as a legitimate concern of national governments for a considerable period of time. Most commonly this is expressed through policies that have an explicit or implicit objective to influence the distribution of economic development or growth. Any major imbalance in the regional distribution of wealth creation and retention is commonly perceived to potentially pose threats to economic, social and political stability. It is also often argued that a wider 'national' interest underpins the aims of such measures. However, the expression of common territorial interests has become increasingly contested (Cho 2013). Strong normative ideas have emerged where policies and strategies provide frameworks that not only justify investment but also the regulation of activities. In this view, a strategy typically articulates those spatial organizing ideas and policy principles that have the capacity to influence and structure the actions of other agencies and becomes to be seen as much about social process, institutional design and mobilization as much as wealth and job creation. This paper seeks to explore this relationship between policies designed to address spatial development and changes in state led spatial governance (Park

2008). An attempt is made to construct a suitable conceptual framework within which the recent practices of regional development in South Korea might be assessed and examined. This framework seeks to explore the normative spatial development ideas that underpin emergent policy ideas and analytical constructs such as balanced development (Lee 2009; Richardson 2010) and mega-regions (Xu & Yeh 2011), and sets this within discourses about rationalities that might provide explanations of the varied forms of institutional collaboration that are advocated to support the development of such spatial forms.

Gateway I

ENGINEERING REGIONAL GOVERNANCE? JESSICA AND THE INVOLVEMENT OF PRIVATE AND FINANCIAL ACTORS IN REGIONAL POLICY

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Financial engineering instruments (FEI) were put forward in response to the growing pressure on EU cohesion policy to deliver more tangible results and greater return on investment. This innovative policy tool allows for leveraging additional private capital for investment in economic development at the sub-national level and has the potential to increase the sustainability and effectiveness of interventions thanks to their revolving nature. FEI attract considerable attention of policy-makers as a solution for 'doing more with less' in the context of austerity and are set to be widely used in implementation of EU cohesion policy in 2014-2020. Being a relatively new addition to EU cohesion policy's repertoire of instruments, FEI have not yet been investigated in the literature. While they introduce a radical change from a grant-based support towards revolving funding, little is known about their effects on the ground. This paper will address this lacuna and offer new insights on the impacts of the joint European Support for Sustainable Investment in City Areas (JESSICA), one of four experimental special support instruments introduced in the 2007-2013 period. The study is based on a research project benefiting from financial support under the RSA Early Career Grant Scheme. It investigates the effects on the regional governance drawing on fresh empirical data collected in Wielkopolskie, Poland, the region where the implementation of JESSICA has been pioneered since 2010. In particular, this paper focuses on the role of JESSICA in stimulating cooperation between the sub-national administration, entrepreneurs and financial sector actors, which is a new phenomenon in the Central European context characterised by lack of traditions of collaborative policy-making and cross-sectoral partnership. The findings indicate that JESSICA is a 'learning device' triggering an important shift in the patterns of governance by offering new incentives for cross-sectoral collaboration within the region. JESSICA contributed to 'thawing the ice' between the territorial administration and private investors. Nevertheless, there are still barriers remaining due to the clash of different rationalities and interests and the preference that the investors have for grant-based support which remains available. JESSICA also involves unprecedented close cooperation between the regional authority and financial institutions, such as nation-wide banks and the European Investment Bank, bringing in new actors to the regional governance system and imposing new norms of operation, enhancing the public management practices and the quality of interventions. By examining the mechanisms of adjustment to this new policy tool the study contributes to the wider literature on multi-level governance by shedding new light on the transformations of horizontal governance at the sub-national level. It also offers a timely contribution to the debate on financial engineering instruments and their implications for post-2013 EU cohesion policy. In fact, the early findings presented in the paper indicate that JESSICA has indeed promoted a change in mindsets of the policy actors towards focus on more sustainable investment and preparing ground for the wider use of financial engineering instruments, alongside grants, in the 2014-2020 period.

Gateway Q/V

KNOWLEDGE DYNAMICS AND GREEN GROWTH – CLIMATE CHANGE ADAPTATION NEEDS AS INNOVATION DRIVERS IN THE LAKE VÄNERN REGION

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How can Europe deliver a smart, sustainable and inclusive growth? The tall order of green growth forms the EU's overarching strategy for economic development, Europe 2020, for the 21st Century. (EC, 2010) But what

is green growth? How can it be achieved? How can the dual great global challenges of climate change and economic development (OECD, 2011) be addressed at the same time? Taking on this challenge calls for innovative, multi- and transdisciplinary approaches to research, and development of new concepts and methods are needed. The research should involve different actors to safe guard relevance for policy and practice in addition to development of new knowledge. (Carillo-Hermosilla et al. 2009, 2010) This paper reports from a budding project that builds on existing research and expertise within the research team in two broad fields; climate change adaptation and knowledge dynamics and innovation. By further development and interconnection of these fields, new knowledge of relevance to the worlds of science, policy and practice will be produced. The research puts the interconnections between climate change adaptation and green growth at the core of the project. This is done through three linked work packages: 1) climate change adaptation and scenarios that identify needs for such adaptations, 2) green growth, particularly in relation to knowledge dynamics and (eco)-innovation processes, and 3) multi- and transdisciplinary research methods, which are the fundamental approach for the entire project. The overall research question is: How can climate change adaptation needs act as innovation drivers and contribute to green growth? The research follows a multi- and transdisciplinary approach, combining different methodologies of scenario development and living lab processes. The Lake Vänern region is the empirical focus and serves as living lab environment. The focus for the scenarios will be climate change effects on water. The scenarios will produce qualitative and quantitative information on possible climate change effects on water-related issues e.g. floods, fishing or tourism. Scenario techniques are used to integrate narrative information (storylines) provided by a wide range of stakeholders in the region. The scenarios provide input about how climate change adaptation and green growth in living lab-inspired processes interact, exploring (eco)-innovation opportunities across a wide range of actors in the region. Against this background potential innovation for green growth for the Lake Vänern region will be identified. One aim with the project is to develop living-lab-inspired methods on knowledge dynamics in relation to issues of green growth, (eco-) innovation and sustainable development in the Lake Vänern region. A living lab is a user-centred research concept - often operating within a territorial context (e.g. city, agglomeration or region), systematically integrating both research and innovation processes simultaneously. (Eriksson et al., 2005, Schumacher & Feurstein, 2006, Marsh, 2008) Budweg et al., 2011). The living lab approach is being used world-wide, for example in a European network of living labs (www.openlivinglabs.eu) and by the Swedish Government Agency for Innovation Systems (www.vinnova.se). The paper explores knowledge dynamics and green growth with an empirical focus on the Lake Vänern Region in western Sweden. Lake Vänern is the largest lake within the EU and with its surrounding area provides a multifaceted region where many of the green economy challenges and opportunities are present. The lake has a unique fauna and flora and is the fresh water source for the 300 000 inhabitants in the region. It is also Sweden's largest hydroelectric power dam and is used for transportation, commercial fishing and recreational purposes for the local population as well as for the tourism industry. With regards to local planning, the lake provides an attractive setting for waterside developments. Lake Vänern administratively affects thirteen local, two regional and two national authorities, in addition to regulations at EU levels that are affecting the lake and its surroundings. Through the many competing demands on the resource of Lake Vänern, the region provides a valuable case to study knowledge dynamics in a green economy.

Gateway I

ACCOUNTABILITY IN A MULTILEVEL SETTING: COHESION POLICY

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Over the last decades, a debate has emerged on the issue of accountability in the European Union. From a democratic point of view, the relationship between voters and the legislative order is an important one: democratic theory implies that voters transfer their rights through the electoral process to elected representatives, being members of the parliament. At the same time, these elected representatives have the task to monitor the activities of the executive powers on behalf of the voters. In both cases, this implies a principal-agent relationship in which the principal – being the electorate in the former and the legislative power in the latter- are delegating powers to the agent – respectively the elected representatives and the executive branch. Over the last decade, European governance has been characterized by increasing integration and hence more state-like functions, while at the same time the actors on the European stage are often the same as on the national level (Curtin, Mair et al. 2010). Also, the European decision-making system is 'weakly

responsive in terms of elections, parties and the conventional procedures of popular democracy' (Curtin, Mair et al. 2010, p. 937), which means that there is a gap between the citizens and the actors on the European stage. Other scholars do feel there is an institutional setting which seems to allow citizens to hold decision-makers accountable, but, as Gustavsson puts it, 'it is important to distinguish between formal accountability mechanisms and any real opportunities principals may have to hold agents accountable' (Gustavsson, Christer Karlsson et al. 2009, p. 5). In fact, this means that the mechanisms in place do exist, but in fact do not work in holding the actors on the European stage truly accountable. This paper is part of a PhD research which examines accountability issues in a specific policy field, Cohesion Policy. Cohesion Policy is an interesting and important policy field, because it involves one third of the EU budget, in the form of the Cohesion Fund and the Structural Funds. Regarding the literature on accountability and looking at the fact that it is somehow agreed there is an accountability deficit in the EU in general, the research will examine the level of accountability in Cohesion Policy. With Cohesion Policy being the first and most important example of multi-level governance (see Piattoni 2009 and Hooghe 1996), it will prove impossible to evaluate the degree of accountability of Cohesion Policy without looking into detail into aspects of accountability, multi-level governance and characteristics of the principal-agent relationship. The paper will therefore examine these three aspects from the perspective of Cohesion Policy. In the second paragraph, following the introduction, the concept of accountability in its core form will be analyzed, consisting of reporting obligations of the agent, information seeking or investigation by the principal, verification of the information and direction or control, also both by the principal (Mulgan 2008, p. 28). Regarding multilevel governance, the third paragraph of the paper will describe what the concept consists of and what its implications are for accountability. As a third element, the principal-agent structure will be dealt with in the fourth paragraph from the perspective of multilevel governance. Special attention will be paid at the multilevel character of Cohesion Policy, which has specific implications for pointing out the various principal-agent relationships in the arena. These relationships can be labeled a 'chain of delegation' (Gustavsson, Christer Karlsson et al. 2009, p.4), consisting of different separate principal-agent relationships, in which an agent can also be a principal himself. The conclusion in paragraph five will point out that these aspects will make it difficult, but at the same time the more interesting, to examine accountability issues in Cohesion Policy.

Gateway A

A COMPOSITE INDICATORS FOR THE EUROPEAN ICT POLES OF EXCELLENCE

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The increasing globalization of economic activity on one side, and the pervasive role of knowledge in the economy on the other, are affecting the spatial distribution of economic activity. These are evident both in the mutating role of countries and in the emergence of different productive realities within countries. In particular, analysts observe parallel, yet opposite, forces towards the geographical redistribution of economic and knowledge-intensive activities, and the concentration and clustering of such activities in limited spatial areas or regions, in particular large metropolitan areas. Or what has been referred to as the paradox of the 'sticky places within a slippery space' (Dunning, 2002; Liu & White, 2001). Given such a framework, the Commission's Communication entitled 'A Strategy for ICT R&D and Innovation in Europe: Raising the Game' proposes to reinforce Europe's industrial and technology leadership in ICT. Building on Europe's assets, in particular the many ICT industrial clusters of Europe, the strategy seeks to step up the effort in ICT Research and Development and Innovation (R&D&I). In particular, the Communication anticipates a landscape where by 2020, '(...) Europe has nurtured an additional five ICT poles of world-class excellence (...)'. This is meant to be the policy context of the study on the European ICT Poles of Excellence (EIPE), run by the EC JRC-IPTS. The concept of European ICT Poles of Excellence in such context can be interpreted and used in many different ways and formulations (Clusters, Centres, Poles, etc..), and the definition of European ICT Poles of World-Class Excellence that is proposed puts in relation the main concepts and models emerging from this vast academic and non-academic literature together with policy initiatives, and also aims at differentiating the concept of Poles of Excellence, as researched here, from neighbouring concepts such as those of Clusters, Innovative regions or Centres of Excellence to name a few. Definitely, none of those concepts, theoretical or empirical, meets fully the requirements and specificity which this study determines for a location to be considered a European ICT Pole of Excellence. In line with the suggestions concerning the issue of identification of spatially-

bounded R&D&I and economic activity (Teece, 1980, 1996), the EIPE project approach is based on extensive gathering of quantitative information, and on the building of composite indicators. Regarding the level of observation, all indicators concern a NUTS3 level. Three intermediate sub-indicators are organized along the three activities identified in the conceptual framework, i.e.: - R&D sub-indicator - Innovation sub-indicator - Economic activity sub-indicator. For each of the mentioned activities, the main characteristics regarding agglomeration, internationalisation and networking are taken into account by means of the consideration of suitable indicators. Finally, the EIPE composite indicator is built to provide for the overall representation of EIPE's performance and characteristics. The work will allow to quickly present the main results related to the achievements of the contractual research to develop a methodology and tool for EIPE identification, and to introduce the indicators, also by means of a visualization tool, so as to be exposed to external validation and to benefit from the views of international experts in the field.

Gateway QVI

CLUSTER EVOLUTION AND TRANSFORMATION: EVIDENCE FROM THE FOOD INDUSTRY IN THE SOUTH OF IRELAND

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In this paper, the emergence, growth and repeated transformations of the food industry cluster (with a specific focus on the dairy cluster) in the south of Ireland will be examined. Key factors that have influenced the evolution and transformation of the cluster will be explored. Over time it is evident the cluster linkages have evolved from dependency on a colonial power (first, as a food provisioner, and later as a source of foreign capital), to global trade links subsidised by the CAP market regime. However, exports were directed through the Irish Dairy Board, which controlled these trade links. More recently, internationalisation by some of the larger dairy companies have expanded direct global links by the companies themselves. The changing fortunes of capital seeking accumulation opportunities are evident from the Irish industry. Foreign capital used the Irish industry as an attractive location for accumulation in the 1960s and 1970s, but, by the early 1990s, domestic capital had acquired the foreign-owned plants based in Ireland and some have significantly internationalised their activities. In identifying key players or coalitions of players, the IAOS in conjunction the Department of Agriculture certainly emerge as dominant in the early phases. However, as the industry grew and developed in the 1960s and 1970s, the Irish Dairy Board had a very influential role in pooling the output of the industry and controlling the export and market links. As the major companies have grown and internationalised in their own right, this role has since diminished for a significant part of the industry. The Irish dairy cluster has evolved through a number of phases; it had its origins in farm-produced, heavily salted butter, which was one of Ireland's main exports until the late 19th century. A commercial network developed around this trade that included farmers, butter merchants and the famous Cork butter market. Technological and organisational developments, initially in other countries before diffusion to Ireland led to decline in the industry prior to the emergence of the next phase. The next phase was the shift to factory or creamery based system. The invention and widespread use of the centrifugal separator was to bring about the industrialisation of dairying; butter production changed from a farm to a creamery or factory-based system and led to the development of a dairy processing industry. Alongside the diffusion of the new technology came the emergence and growth of co-operatives in agriculture. Issues of sustainability and scale drove the slow but steady rationalisation of the processing industry. Foreign direct investment began to play an important role in the improvement of technology and standards; in conjunction with the establishment of a state board to co-ordinate exports this led to period of growth in the industry. Membership of the EEC in 1973 provided further impetus for growth resulting in a period of rapid expansion. Increased investment and expansion in output focused on dairy products supported by the EUs Common Agricultural Policy which particularly suited the Irish industry. The imposition of milk quotas in 1984 heralded a new phase- the limit on raw material supply limited growth opportunities domestically. However some of the larger co-operatives responded by adapting their co-operative status to access funds for investment and sought to internationalise their business through direct investment in the US and Europe. While regulatory influence has been important at EU level it also remains important at national level as the state has sought to encourage rationalisation and competitiveness in the industry. More recently, alongside the structural concentration of the dairy co-operatives, the desire to maximise value added and become less dependent on EU policies has been the (re)emergence of a farm based

artisan industry. The focus here is on high-quality artisan products with strong local links for the specialty food market.

Gateway QIII

THE FORMATION AND DEVELOPMENT OF SMALL INDUSTRIAL SETTLEMENTS: HISTORY AS DETERMINANT OF PRESENT PROBLEMS AND NEW OPPORTUNITIES

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This paper investigates the historical formation and later development of small settlements where industrial activity (mining or manufacturing) has been prevailed in Estonia. The aim of the paper is to find out, how present problems and development options in these settlements are dependent on the reasons why industrial activity was established there. If in Western countries, this kind of small towns or villages where one industrial activity or even one single company is dominant, are rather exceptional, and specific to sparsely populated peripheral mining or forest areas, mostly in Nordic part of Europe and America, than in Estonia as in not so sparsely populated but former socialist country, the phenomenon of single company or single industry small settlements (until 10 000 inhabitants) as separate labour area is more common. We can distinguish five periods in the formation and development of small industrial settlements. The first period: during the early industrialisation, some manufacturing companies were established in countryside or nearby manors or small villages. The reason for location choice was mostly the existence of raw material, hydro-energetic source or availability of sea connection in place, as well the incentive to avoid restrictions for manufacturing in bigger towns. The second period: industrialisation of Estonia as part of Russian Empire was taken place in the late 19th and early 20th century where some industrial companies were located outside the bigger towns close to harbours or railway. The third period: pre-second World War independence time of Estonia: because of some deindustrialisation the role of industrial settlements and the intensity of establishment newly industrialised settlements was to some extent smaller. A few new industrialised settlements in that period were related to processing of agricultural and timber production but some new mining or quarrying settlements, especially in new resources, like oil-shale, were established, as well. The fourth period: at Soviet time, the strong interventionist planning was forced both the formation of new industrial settlements and further industrial specialization of previously multi-functional or agricultural villages. Here the socialist location policy played an essential role: the industrial complexes (clusters) were often located outside previous settlement patterns, or notwithstanding of previous location patterns. The lacking agglomeration effects were compensated by creation of delivering inter-industrial linkages and even social service system inside one industrial branch or inside a company. During the fifth period, the first decades of re-independence, main new industries established outside bigger towns have been the factories looking cheaper production factors (labour or land) or closeness to raw material (timber) but these companies have remained near to bigger centres or into the neighbourhood of smaller towns, nevertheless. We can summarize that separation of some industrial activity from the rest economy takes place when some particular incentives for separation are dominant over the agglomeration economies. But in the changing conditions, caused by changes in economic system, structural development or changes in geographical patterns, may lost the former advantages of spatial separation. During the process of structural change, presently dominant industries will need less labour or disappearing at all. But not every place, favourable for some particular mining or manufacturing activity, is not appropriate for new activities. The replacement of east (towards former Soviet Union) oriented economic relations to Western relations in Estonia has changed the comparative advantages of Estonian industry and this requires the new activities as well. New activities, representing new economic stages, mostly need more agglomeration economies. Especially, it is the problem of former mining settlements located very often in the separate places. Similarly, the agglomeration effects established by socialist clusters have been disappeared during the process of economic change. Inversely, the localization effects have been remained and in some cases even strengthened in many settlements created close to transport nodes or representing some manufacturing activity: skills related to industry-specific knowledge or manual skills, infrastructure, appropriate estates, identity and mentality of local population to have a big factory have been the attraction factors for new stages in the same, but in some cases also for different industries. In the former times, we find the cases where formerly mono-functional industrial settlements have formed to multi-functional local central places for surrounding population but in present times, the diminishing importance of small local central places in settlement patterns has remained this option relatively rare. In the same time, growing spatial mobility of

population has emphasised a new option: the transformation of former industrialised settlements to satellite-towns, functioning as living places for people employed in bigger cities. However, the last case is valid only for settlements that have favourable location close to city and appropriate living environment.

Gateway H

STRENGTHENING THE COMPETITIVENESS OF SMALLER CITIES: IN WHAT SENSE CREATIVE INDUSTRIES CAN BE RELIED ON

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The idea of creative class has inspired the world of academics as well as policymakers in search of alternatives for regional policy. Apart from its criticisms, creative economy could be an option to strengthen the competitiveness of regions. Indonesia has enormous properties of cultural identity which can be potentials for stimulating creative economy. Tracking good practices in several cities, the national government has attempted to foster creative economy by enacting national policies and restructuring the organisation of ministries. At the same time, there have been numerable experiments to develop creative industries in smaller cities to escalate the competitiveness, in line with responding the impossibility to develop mass-production economy and summon direct investments to those cities. Theoretical review suggests that creativity has to boost market value through innovation, while for the Indonesian context, creative industries mostly originate from (traditional) cultural consumption activities. The remaining question is to what extent those cultural activities can be promoted as creative industries in order to improve the competitiveness of cities and regions. Some cities will be presented as case studies i.e. Bandung as the large city as well as Surakarta and Yogyakarta as medium-sized and smaller cities. Those cities have different characteristics in their creative industrial sectors, creative communities and actors, learning environment, and infrastructure. These factors thus imply on the capability and process of learning, both in product and process within those creative SMEs, and thereby determining regional competitiveness. However, it should be criticized that not all international literature fits into the Indonesian case, especially by way of given socio-culture of Indonesian societies that does not unswervingly endorse new cultural production; in addition to the issue and challenge of urbanization economies in smaller cities.

Gateway D

CENTRALITY AND REGIONAL IMPACTS OF MONETARY POLICY: A COMPARATIVE STUDY BETWEEN BRAZILIAN AND SPANISH REGIONS

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This paper aims to investigate the regional impact of monetary policy on different regions of Brazil and Spain. The main point is to analyze the role that the centrality plays in terms of mitigating or enhancing the effects of the monetary transmission mechanism, a focus which is still not very explored in the economical literature. The central hypothesis of this paper is that the effects of monetary policy coordinated and executed in a single mode to heterogeneous regions would affect differently the regions, reinforcing different patterns of centralities and, therefore, strengthening the segmentation between central and peripheral spaces. There is a relative consensus about the existence of a relationship between centrality and liquidity preference. In the central regions, the most developed and less vulnerable economically, the liquidity preference of economic agents - especially the financial system - tends to be smaller. On the other hand, in the peripheral regions - which are also more unstable and have the lowest levels of per capita income - the agents have worse conditions to offer collateral. Therefore, they have difficult to obtain alternative sources of funding and their institutional arrangements are still not well consolidated. Thus, the participation of financial agents tends to be smaller, especially regarding the credit supply, given the strong propensity for reversal of the expectations. Given the central role played by the regional development, we can infer that this would be an important element to explain why the impact of monetary policy would spread differently among the regions. In order to

investigate our hypothesis and after making a categorization about recent patterns of centralities, an empirical research was made analyzing the regional effects of monetary policy and the sources of asymmetry in the transmission of shocks. In this study, it was found that monetary shocks are propagated more intensely in the peripheral states and autonomous communities, which are characterized by weaker economic structures, a greater dependence on the dynamics of the central regions, higher potential of instability and greater liquidity preference of banks and agents. It was identified that one of the consequences of those impacts is the existence of spatially differentiated interest rates. Furthermore, the structural and financial characteristics of the regions play an important role in explaining the asymmetry in the transmission of monetary shocks. Finally, it is important to emphasize that the main contribution of this paper is the consideration that the construction of space is an important element to understand the impacts of monetary policy and, in this sense, the centrality plays a important role to empower and strengthen these impacts, highlighting regional disparities.

Gateway P

ARE UK STRATEGIC HOUSING MARKET ASSESSMENTS FIT-FOR-PURPOSE, OR DO THEY NEED SIGNIFICANT REVISION?

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Much of the strategic planning guidance developed for England and Wales by the previous Labour government has now been almost completely replaced by the Coalition Government's 'National Planning Policy Framework'. One element of previous guidance that has been retained (first introduced in 2006) is that requiring local planning authorities to complete 'Strategic Housing Market Assessments' in order to demonstrate a thorough understanding of local market dynamics and of what interventions might help create the kind(s) of housing provision that would cater for identified need. This paper looks at the format and analysis of recent local and regional SHMAs being carried out to date. It considers what may be influencing their conclusions, and how they are supposed to interact with other statutory development control practice and policies. Drawing from current ESRC-funded work investigating the prospects for housing growth within the 'South Midlands' sub-region, it contrasts SHMA analyses of local market characteristics here and elsewhere in the English Midlands regions against wider aspirations for market-driven 'sustainable' growth. The conclusion drawn here is that SHMAs seem increasingly ill-fit for such a demanding task in their current form. The descriptive nature of SHMAs seems weighted heavily towards assessing household needs as representing 'market demands', yet households' actual aspirations of prioritising any particular tenures of house types are not included within most analyses, whatever their individual economic standings. Neither is any equivalent examination apparent of the supply side dynamics within housing markets, be that of the availability of financial resources over time, or the pace of building developments on-site and the readiness of the construction sector to dictate terms and conditions for new-build developments. Questions are therefore raised about whether or not local SHMA practice is meaningful in the context of applying 'light touch' regulation towards the management of market dynamics, or to have any influence over national and international development companies. The paper finally looks at the impact of national austerity measures upon wider housing market opportunities, and makes some suggestions for the kinds of indicators that future SHMAs could adopt in order to offer a more penetrating analysis.

Gateway QIII

DEPENDENCIES IN SPATIAL FINANCIAL MARKETS DEPENDENT RELATIONS IN PERIPHERY OF THE EUROPEAN UNION

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Dependencies in spatial financial markets Dependent relations in periphery of the European Union Balázs Forman, PhD Corvinus University of Budapest Robert Mundell assumed in his A Theory of Optimum Currency Areas that a different countries were without common interdependencies, the firms were national profit-

oriented in the each countries. If we see the area of economic and monetary union to adapt to asymmetric economic crises can be by budgetary transfers and or research and development in each countries and regions. In a theory of optimum currency areas, the all countries have a coordinated economic policies without tax competition. In the optimum currency area, the foreign trade are between in legal to each other independent corporations between the member states. It is the typical inter-firm trade. The theory did not calculate with a multinational companies and consequences and effects of its operate. The theory assumed indirectly the all member states of optimal currency were able to adapt by R+D and investments of itself own corporations. Can true conditions in peripheral countries, or can not? What can make a country in what the investments based on investments of foreign corporations in 80%? What can make a country what is price taker in international capital markets, if we see the interest rate? Because of lack of enough its own savings can it? What can make a country in what the export of 90% made by foreign multinationals companies? If a country is one part of a single market, in what it does not decide a market and economic regulation, then it is legal taker? Can this country break out the dependencies and cumulative causation, or it can not? Are solutions to this questions, or not? Budapest, 2013.

Gateway K

GREEN UNIVERSITY: THE IMPORTANT INFLUENCING FACTOR OF REGIONAL DEVELOPMENT

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In the process of pursuing high speed economy, people have been destroying the environment and overusing the natural resources, which makes the human beings have to face serious environmental problems. As people gradually become aware of the importance of the natural environment for human, they realize they should insist on economic sustainable development. The purpose of developing green university is to make the idea of sustainable development spread in high education in order to promote regional economic sustainable development. The article studies to find the relations between green university and regional development. First of all, the article introduces the current situation of regional economic development, including regional market economic development imbalance, regional economic development differentiation, urbanization process, regional division, and etc. Secondly it studies the basic factors of regional development, such as labor, earth, resources, fund, technology and management, describes the changes of regional economic development crucial elements from production factor input growth type to technological progress growth type; analyzes regional economic development stages and paths with economic growth theory and relevant regional economic development theories, proposes possible development direction, and discusses the processing from professional division to industrial clusters to the scale economy, the local economy and urban economy; and analyzes the functions of the following regional development driving forces in above processing: knowledge, innovation, culture, economy of scope and network of urbanization. Thirdly it tries to find the relations between regional development dynamics and green university, puts forwards that green university affects regional development in personnel training, technological innovation and service providing: producing knowledge and promoting knowledge overflow directly; making technological innovation, knowledge innovation, product innovation, management innovation directly; generating business mode innovation and social economic innovation indirectly; revolving and propagating culture; contributing to innovative economy and urban net work; electing sustainable development model under the circumstances of resources constricts and environmental protection. Fourthly it analyzes the dynamic transmission mechanism for green university to promote regional development, studies how the operation of green university affects the driving force of regional development and then influences the regional development, and investigates some typical domestic and foreign examples in which green university and region develop coordinately. Finally based on the overview of domestic and foreign research of green university development, according to the above research, proposes the construction ideas and index system of regional development oriented green university, establishes evaluation index system with 24 indicators about 6 inspects as follows: green education, green campus, green technology, green culture, green service and green consumption, puts forward 2 relevant methods: green evaluation method and service performance balanced level evaluation method.

KNOWLEDGE AND PATTERNS OF INTERPRETATION: AN APPROACH FOR A BETTER UNDERSTANDING OF KNOWING IN ECONOMIC GEOGRAPHY

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Knowledge - a scientific-technical resource and a social construction of reality In economic geography and regional economics knowledge is often conceptualized as scientific-technical knowledge. R&D, patents and highly skilled employees are regarded as opportunities to overcome the challenges of global competition and are in the focus of the discussion about the knowledge society. Such knowledge is highly specialized, generated under controlled conditions, representative, replicable, calculable and formalized. In this reading, knowledge tends to be assigned independent facticity and substance, attributed universal validity, and qualified as fact. However, large parts of knowledge are in a continuous process of change, embedded in dynamic contexts and better understood as 'knowing in practice' (Ibert 2007). It is socially constructed, dependent on time and space. The social construction of reality embraces academic and everyday knowledge, as well as world views, attitudes, ideas, ideologies, values, beliefs and interpretations, which are important for the analysis of regional and spatial phenomena and processes. Authors suggest that analysis may benefit from the inclusion of other mental constructions beyond scientific-technical, formalized knowledge (Bathelt and Glückler, 2011). Such mental constructions are discussed as 'mindsets', 'shared cognitive models' (Cannon-Bowers and Salas, 2001) and 'shared mental models' (Denzau and North 1994). Nevertheless, knowledge is a mental construct with specific characteristics. It is generally understood as the shared conviction that the phenomena of the environment are real and true; it also meets particular conditions such as appropriateness and intersubjective confirmation (Berger and Luckmann, 1966/1991, p. 13). Patterns of Interpretation The mentioned notions of 'mindsets', 'shared mental models' etc. tend to be eclectic and rarely traced back to general structures. Yet, the concept of 'patterns of interpretation' suggests collectively shared structures, which can be determined by means of an elaborated methodology. At present, the approach is one of the most visible views in qualitative research in German-speaking countries (Reichert, 2004). The essential criteria of patterns of interpretation are the following (Oevermann 1973/2001a, 2001b): Patterns of interpretation have a broad range. They are the stable, commonly shared, broadly distributed understandings and considerations held by a society or community. They are neither accidental estimations nor selective individual opinions. Patterns of interpretation are usually implicit; they are 'hidden rules' or unspoken 'everyday theories'. Usually they work like commonly shared 'imprints' or 'scripts'; yet, subjects have some autonomy in how to interpret, understand and construe reality. Patterns of interpretation are normative; they direct and channel the way how people perform and realise all the daily things they do. They help the subject to anticipate the future and generate expectations. Discussion and conclusion 'Patterns of interpretation' differ from the idea of economic rationality, and they go beyond the behaviourist assumptions of decision theory in that the approach does not remain on the surface of observable behaviour. Instead, it attempts to decipher the basic rules that guide action. Thus, the view on implicitness can advance the understanding of sticky knowledge, experiences, unconscious skills and capabilities in economic geography. Moreover, the approach helps to broaden the perspective beyond knowledge. Since economic decisions are not only a product of knowledge, but also of interpretation, patterns of interpretation help economic geography to better understand phenomena of place, space and scale. Evidently, knowledge about an issue is different from the patterns of interpretation related to that issue. 'Patterns of interpretation' need to be advanced for the purposes of research in economic geography. A broadening of the concept requires inspiration; at the same time, this must be done carefully to ensure 'patterns of interpretation' does not become an unspecific catchphrase.

SUSTAINABLE PLANNING AND ENERGY POLICY: A GOVERNANCE BASED ANALYSIS OF THE EUROPEAN ENERGY POLICY STRATEGY AND ITS RELATION TO THE PORTUGUESE CASE

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The European Commission has emphasized the necessity of an energy policy that could foster a resource-efficient Europe, in order to reduce carbon emissions and support the sustainable management of resources, while at the same time maintaining the European economy competitiveness and energy security, as one of the main goals of its 2020 strategy. It has established a target of reducing carbon emissions by 20 % (and by 30 % if conditions permit), increasing the share of renewable energies by 20 % and increasing energy efficiency by 20 %, in what was known as the 20-20-20 target. To reach this objective the European Commission has developed its energy strategy to 2020 in the initiative “A strategy for competitive, sustainable and secure energy” structured around 5 priorities: limiting energy use in Europe; building a pan-European integrated energy market; empowering consumers and achieving the highest level of safety and security; extending Europe’s leadership in the development of energy technology and innovation; strengthening the external dimension of the EU energy market. The momentum that was originated with these policies along with other sectoral instruments that were created has enabled some pressure on the European Union countries to develop their national energy agendas, through strategic policies. Also, in the business sector and society, the need to rethink and act towards the problem of energy production and consumption has attracted the attention to the problem of energy sustainability. Portugal, a heavily energy dependent country, has been in the last years the focus of some attention due to its progress on renewables research and implementation, as well as a source of innovation in what concerns the “clean energy” business sector. The research presented in this paper has the objective of demonstrating what is being done in the energy policy sector in Portugal, namely in the articulation that the European spatial policies have with national ones, in the relation that European and national energy policies have with the main national planning instruments, and in an assessment of the results of these policies considering the context of the economic crisis. The research is funded and framed by the Portuguese Science Foundation (FCT) research project SPOTIA – “sustainable spatial policy orientations and territorial impact assessment – contribution to Portuguese context”. The SPOTIA project is structured on a specific and updated policy issue: the assessment of the coherence and relevance of the Portuguese territorial and sectoral frameworks (policy programs and plans), and to evaluate the impacts of these policy orientations in territorial development. The research presented in this paper constitutes some of the work that has been developed in the SPOTIA project in what concerns the energy policy sector. A brief historical overview of the main policy initiatives in the energy sector both in the EU and Portugal will be conducted. Then a matrix analysis will be made in what regards the diagnosis, instruments and indicators that each policy document originates, and their relation through a set of themes, domains and sub-domains with each other, and with the main policy documents in Portugal concerning planning: National Strategy for Sustainable Development (ENDS), National Program for Planning Policy (PNPOT), National Plan for Climate Change (PNAC), National Plan of action for growth and employment (PNACE) and QREN. Finally it will be presented a matrix with the relation strength between the main territorial policies and the energy policies at the EU and National scale, and the main indicators of energy performance in Portugal. The conclusion will address if there is really a following of the EU strategic guidance in the national energy policies of Portugal, and if the policies that were promoted have reached the goals that were established.

GEOGRAPHICAL PROXIMITY AND THE ROLE OF THE QUALITY OF ACADEMIC RESEARCH TO THE UNIVERSITY-INDUSTRY LINKAGES

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This study examines how the geographical proximity of university-industry linkages relates to the quality of an institution's research, local efforts in research and development (R&D), and characteristics of a region's production structure. The important role of universities for the firms' innovative efforts has been widely accepted in the literature. In particular, universities serve as a source of new scientific and technological knowledge. Geographical proximity can facilitate an interactive learning process between universities and industry by allowing for frequent interaction and face-to-face contact, which speeds the transmission of local knowledge spillovers. However, it is also necessary to analyse the quality of the university's academic research because state-of-the-art scientific and technological expertise is required for the development of advanced industry innovations. This level of expertise is more commonly found at top-tier universities. To examine this point, the Directory of Research Groups from the Lattes database of the Brazilian Ministry of Science and Technology was used. The Lattes database collects and compiles information on the activities of research groups in Brazil and their interactions with firms. By using these data, it was possible to identify factors that influence geographical distance in university-industry linkages, including the quality of academic research, local research efforts, and the characteristics of the local production structure. This study aims to contribute to the debate on the role of geographical proximity in university-industry interactions by providing an analysis of the issue in Brazil. Furthermore, the empirical model developed for this analysis introduces control variables that will help to identify the role of geographical proximity. The findings from this study show a positive correlation between the quality of research groups and the mean distance of interactions with firms. Top-tier research groups interact with both local firms (due to the convenience of being co-located) and more distant producers in need of cutting-edge research and expertise to support advanced innovation. Thus, it is evident that the costs of establishing long-distance university-industry relationships are overcome by the benefits offered by interacting with high capability research groups to solve complex and highly specific problems. The results from this study also show that the increasing positive correlation between academic quality and interaction distance decreases with an increase in quality. This pattern was demonstrated by the quadratic parameter used in the empirical model and is particularly significant when top-tier research groups are involved. Thus, the mean distance of interactions tends to decrease when the interactions involve centres of academic excellence. This relationship may indicate that close geographical proximity becomes especially important when a university-industry linkage involves tacit, specific, and complex knowledge (which requires cutting-edge expertise) because close proximity facilitates the sharing of such knowledge. Thus, it can be assumed that firms requiring cutting-edge knowledge and expertise to support advanced innovative efforts seek to co-locate with centres of academic excellence. This close proximity facilitates the development of mechanisms for collaboration, including frequent interaction and face-to-face contact. However, the importance of second-tier universities cannot be neglected. The results from the empirical model indicate a positive correlation between academic research quality and interaction distance, suggesting that second-tier universities tend to interact more frequently with local firms. The findings from this study indicate that second-tier universities are well equipped to handle the simpler needs of local producers, which do not require cutting-edge expertise or complex academic capabilities. An interesting finding concerns the positive correlation between industrial R&D efforts and interaction mean distance. This positive relationship indicates that firms investing more heavily in research are more capable of locating and collaborating with university with the necessary capabilities to solve firms' problems, regardless of geographical location. This relationship may be an indicator that firms with more developed R&D efforts have a higher absorptive capability, making them more capable of establishing and utilising sophisticated processes to find solutions for their innovation needs. The empirical model also shows that firms located in regions with diversified production structures tend to interact more locally because they can find more diversified, complex academic collaborators who are able to solve the problems associated with the firms' production and innovation processes within a shorter distance. The findings from this study have important policy implications. The results emphasise the importance of creating and supporting top-tier centres of advanced research, which are able to generate and

exchange complex knowledge through university-industry linkages. This knowledge helps firms solve problems related to their innovative activities, especially when dealing with more advanced, radical innovation. It is also important to support research development in second-tier universities, as these universities attend to the specific needs of local producers and help enhance their competitiveness. Finally, it is worth noting the importance of industrial R&D efforts, as they greatly contribute to the development of university-industry linkages.

Gateway D

INCOME PER CAPITA INEQUALITY ACROSS OF SUBJECTS OF THE RUSSIAN FEDERATION (SPACE – TIME APPROACH)

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Interregional income inequality across the regions of The Russian Federation and its dynamics has been the main goal of the investigation. This aspect is very important for Russia. The state with multi-level administrative subdivision occupies a large area; its territories have differs geographical and natural conditions. The attention of many researchers in Russia focused on analysis of within regional income distribution, especially on share of poverty. Growing of spatial disparities in social – economic development during last twenty years determine the needs for more detailed studying of inter regional component of income inequality in Russia. Results of inter regional comparative analysis of income, presented in Abstract, have based on information, regular published by ROSSTAT. The space - time data series about nominal income per capita and income sources for all regions of Russian Federation for the period 1995 - 2010 years are used for studying. Three aspects of inter regional differentiation have been considered. The first one is the comparative analysis of income per capita and its structure across the subjects during the time (space – time approach). (Regional income pc means average per capita income for the entire population of region). Income structure includes five components: (1) business (enterprise) activity; (2) wages (salaries); (3) social transfers; (4) income from properties; (5) other income sources, including shadow income. Distances between regional income distributions by sources and differences in dynamics on each components of income structure have considered. Methods of descriptive statistics used for these aspects. Results could indicate the stable gap between 80 percent regions with low income pc and 20 percent regions with high income pc during the time. It is important to mention the decreasing share of income from business activity (enterprise) and the stable share of shadow income. The first one decreased from 17 percent in 1995 upto 9 percent in 2010. The second one is equal to 26 percent. The second aspect is the analysis of dynamics of CINI, estimated for spatial distribution of Total Monetary Income (TMI) and partial GINI1 – GINI5, estimated for Total Income from five sources, as well as decomposition GINI by five structural components GINI1-GINI5. The analysis let to make some conclusions. There is a tendency of decreasing of common GINI (for TMI) after 2000 year. At the same time, it could watch enormous value for GINI4 measured of inter regional distribution inequality of Total Income from property. It is the result of property stable concentration into some regions of Russia. As to concern GINI5 for shadow income, it was also very high before crisis 2008 – 2009. Later it decreased but it is the result of widespread distributions of shadow income across all the Subjects. Finally, as the third aspect of research, $R(t)$ - “ratio index” has used for visualisation the changes in position of each subject into row of all subjects ranged by income pc at the moment t . Ratio index is determined as relationship between income pc in region and in Russia (as a hole). It bases on the analysis of the geometry of the Lorenz curve for grouped data. The trajectories of $R(t)$ have compared for all regions of Russia ranged by income pc in 2010. Obviously, dynamics of $R(t)$ is not a Markov process. To estimate trends of $R(t)$, new index $IAP(t)$, named index of accumulated potential has proposed and estimated for income pc and its five components for period 1995 - 2010 years. The results of their comparative analysis could present in full text of the paper.

FUNDING INNOVATIONS FROM POMERANIA REGIONAL OPERATIONAL PROGRAMME 2007-2013. MID-TERM EVALUATION

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Innovations are the main aim of the EU cohesion policy. Enterprises, particularly SMEs, often don't show interest in innovative activity, because of their limited assets. One of the EU instruments co-financing innovative projects in enterprises operating in Poland are Regional Operational Programmes (ROP). Nowadays, innovations are no more seen only as technological but also as social and organisational changes. Consequently, they are created not only in a laboratory but also, and maybe first of all, in networks, where actors of different backgrounds are involved in the process. The Regional Programmes innovation approach differs from Country Programmes approach. In ROP, innovation is measured on firms and regional level. The aim of the article is to analyse use of the EU Structural Funds for innovative projects in SMEs from Regional Operational Programme of Pomerania Voivodeship for 2007-2013. In the analysis we use the data from the Pomerania Development Agency Inc. In the first section we described conditions and rules of grants awarding. The next section contains short description of firms in Pomerania region and the analysis of granted projects. In the new programming period of 2007 - 2013, Regional Operational Programme for Pomerania Voivodeship has received almost 940 mln EUR from European Regional Development Fund. The Priority Axis 1: Innovation and development in SME has allocated 179,2 mln EUR. The Measure 1.2: Innovative solutions in SME, which has received over 22 mln EUR, supports projects aimed at investments in R&D and technological innovations in enterprises; projects involving purchasing intellectual property rights; investments in R&D with the aim to implementing innovative solutions into production processes and commercialising products, services and science and technology platforms. The results of the analysis confirmed significant diversity of total values of projects, awarded grants and branches. The majority of innovative projects has been implemented in manufacturing, only a small part of them in high-technology sectors. The value of accepted projects was connected with the size of applying firms. Only a small part of projects concerns investment in R&D activity. Most of them focus on implementation activity. With regard to the number of projects, the majority has been implemented using own funds. The results show high concentration of projects in Tri-City Agglomeration (Gdańsk, Gdynia, Sopot) and adjacent districts. Almost all the projects have been implemented in the same districts as head offices of the firms. In most cases, firms apply single-handed. They rather carefully cooperate with external partners in implementing projects, which may result from misgivings that the partners will not meet their engagement and the project would not be completed. Although creating new jobs is not a criterion of the Measure 1.2, the co-financed innovative projects have contributed to employment growth in Pomerania region.

BUSINESS AS USUAL? FINANCIAL ENGINEERING INSTRUMENTS DELIVERING COHESION POLICY OBJECTIVES IN FINLAND AND SWEDEN

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Cohesion policy is a new context for the use of financial engineering instruments (FEIs) - how do they perform in terms of delivering regional development policy objectives? In regional development policy, the role played by (the lack of) access to finance for SMEs has received increasing attention in recent years, largely because market imperfections are thought to limit the availability of finance to small firms, and because of the role that private venture capital is considered to have played in the development of high profile firms, especially high technology firms, in certain locations. In times of public sector budget constraints, policymakers have become increasingly interested in alternatives to the provision of grants to SMEs through the use of FEIs such as debt finance and venture capital, which may be recyclable and provide a residual funding source in the area concerned. This trend has been particularly noticeable in EU Cohesion policy, where the use of FEIs within Structural Funds programmes has increased over successive programme periods, with strong encouragement from the European Commission. This paper seeks to examine the suitability of FEIs as tools for regional policy and present an analysis of the challenges that the Cohesion policy objective of advancing regional

development policy goals sets for the design and implementation of FEIs in Finland and Sweden. Finland and Sweden provide an interesting context for analysing the added value of FEIs, as they rank high in innovation potential and SMEs access to finance at the European level. The paper draws lessons from FEIs operating in Finland and Sweden during the 2007-2013 period co-funded from Cohesion policy resources. In Finland, a venture capital fund with resources allocated between the four Structural Funds programme regions has been set up and interest subsidy as part of loans and guarantees has been available in the country's disadvantaged regions. In Sweden, 12 regional venture capital funds have been in operation, funded from eight Structural Funds programmes. The evidence presented in this paper is based on documentary analysis complemented with interviews with national policy makers, fund managers and final beneficiaries. FEIs operating under Cohesion policy programmes follow the logic and legal framework of the policy and are a means of achieving its objectives: to promote growth and employment by reducing regional disparities. The purpose of FEIs is to enable public sector resources to be used in a more efficient way by drawing upon commercial practices and actors and stimulating the participation of private sector capital. However, literature demonstrates that there are contradictions between the essentially market-based FEIs and the aims of Cohesion policy. In analysing the possible contradictions between market-based FEIs and Cohesion policy goals, and the possible impact on added value of FEIs, the paper builds on existing literature in three ways. First, studies have shown that using venture capital as a measure to balance regional disparities is problematic as venture capital is attracted to growth regions, but does not necessarily create them. Moreover the literature suggests that investing only in restricted sectors or geographical regions will compromise the effectiveness of the FEI. In this regard, the question applicable to FEIs in Finland and Sweden is whether they can bring added value in helping deliver Cohesion policy objectives. Second, given the specific focus on regional development objectives, a balance needs to be found between these objectives and the expectations of profit-seeking private investors. The question here remains whether the objectives of Finnish and Swedish FEIs are private sector or Cohesion policy led, and how the instruments have been performing in relation to these goals. Lastly, the definition of FEIs used in Cohesion policy groups together a number of instruments which differ fundamentally. In Finland and Sweden, it is relevant to ask how the added value of different kind of FEIs is understood.

Gateway QII

IN THE SHADOW OF EVERYDAY'S UNCERTAINTIES: THE SEARCH FOR SUSTAINABLE DEVELOPMENT SOLUTIONS WITH AND WITHOUT REGIONAL PARTNERS

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The paper analyses policy agencies and leadership in the multi-level setting of development cooperation. It draws from experience in European regional policy, development cooperation in Africa and the wider context of the United Nations and it looks at top-down and bottom-up coordination of development cooperation. In doing so the paper points to two terms and how they are interrelated: 'uncertainties' and 'regions'. The first one is not used very often although or even because uncertainties are almost omnipresent in complex development settings. The second one is used very often but different actors mean something completely different by the word 'region'. Aim of this article is to demonstrate how much policy agencies and leaders are accustomed to life with terminological and other uncertainties and how this seemingly pragmatic approach hinders a better coordination of development and development cooperation. Member States of the United Nations (UN) are discussing the future of development cooperation for the time after the 2015 deadline for the Millennium Development Goals (MDG). The aim of this policy dialogue is to develop a set of goals which combines the already complex MDG with the goals of Rio+20 process into a post 2015 UN development framework with one set of Sustainable Development Goals (SDG). Certainly, the identification of the appropriate institutional setting including policy agencies, governance mechanisms and leadership will be crucial for the achievement of the new goals. A similar though not as ambitious challenge is faced in the European Union with respect to its regional and cohesion policy where the preparation of framework and programmes for the new funding period 2014-2020 is proceeding. While thematically interrelated, both processes run basically in parallel. Keeping these two arenas and dialogue processes separate may reduce the complexity of each process but, of course, it doesn't prevent double work and certainly doesn't stimulate synergy. The paper describes related policy agencies and selected actions taken at a macro and micro level. In doing so it discusses multi level governance systems in which regions are crucial among others as linkages between policy

levels. By analysing the role and function of regions in a global and national context the paper elaborates that two different concepts of the term region exist for world regions and for regions at the sub-national level. In addition to the different concepts there are also separate actors groups at the international and the sub-national level. These actors don't communicate much with each other. Of course, because they don't communicate with each other the terminological difference is not perceived as a problem. But how can multi level cooperation really function, be innovative and achieve internationally agreed development goals if the discourse about regional development, innovation and the achievement of development goals is held in two separate arenas? The paper concludes that the different structures, roles and functions of regions may turn into a kind of gene pool for innovation in governance, but it also encourages to overcome the barrier between the two sets of concepts of regions which either focus on world regions at the transnational level or on regions at the sub-national level. Engaging more local and regional actors in discussing and formulating an agenda for sustainable development at the global level would be as important as the integration of global trends and discussions in the process to formulate and implement development goals at the sub-national level. Surprisingly the process of globalization seems to be more advanced than communication and cooperation between researchers and managers of world regions and sub-national regions.

Gateway D

VULNERABILITY AND RESILIENCE OF THE ECONOMIC, SOCIAL AND ENVIRONMENTAL DIMENSIONS OF ITALIAN PROVINCES

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The aim of this work is to verify, through a study on Italian provinces, a theoretical framework of the multidimensional concept which is referred to as 'vulnerability of a local system' as a combination of factors of fragility and resilience. This scheme has been proposed in the paper Risk, vulnerability and resilience of local systems (Graziano, 2011) presented at the XXXII Conferenza Italiana di Scienze Regionali. In the previous work a systemic approach had been adopted to study this phenomena (Holling, 2001; Walker, 2002; Resilience Alliance, 2007). Elements of the organization of a local system had been identified, in its economic, social and environmental dimensions, mostly affecting its exposure to the adverse impact generated by a disturbing event and the ability to answer and to regenerate. According to this scheme of representation, vulnerability is the result of the combination of these factors that influence the probability of a local system to undergo negative changes as a result of the occurrence because of an exogenous event. Assess vulnerability and resilience of a system, by adopting a holistic reading of the phenomenon, involves the identification, in all the systemic components of attributes such as: openness to the external environment, structural diversification, availability of resources, structural dependence/independence, modularity, functional redundancy, adaptability strategy. These attributes, identified from the analysis of the literature on the complex adaptive systems (Resilience Alliance, 2007) were used in the previous work as logical criteria for the reconciliation of the territorial components to the descriptive categories such as vulnerability and resilience. In this paper the author proposes the construction of indicators and composite indices system for monitoring the factors of fragility and ability to recovery, through the following steps: association of indicators to Economy, Society and Environment dimensions, then to the descriptive categories vulnerability and resilience and finally to the components that defines them; selection of the variable considered in the theoretical step; application of the multivariate technique Principal Components Analysis to get composite indices on macro themes level and on descriptors level. The proposed system is applied to a study on the economic, social and environmental vulnerability and resilience of the Italian provinces. This study provides an useful tool to get an overall and complete evaluation on vulnerability and resilience of local systems. It provides an information system that can be used to get an overall information or some focuses on specific themes and to assess the positioning of local systems as a combination between low/high vulnerability and low/high resilience factors, following a benchmarking approach.

LINKING KNOWLEDGE FROM DIFFERENT SOURCES, CHANNELS AND GEOGRAPHICAL SCALES: WHICH COMBINATIONS DO MATTER FOR INNOVATION?

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Michaela Trippel, Department of Human Geography, Lund University, SWEDEN

Over the past two decades, a large body of both conceptual and empirical work has enhanced our understanding of the relation between innovation and knowledge sourcing activities. Three dimensions of knowledge sourcing activities have been identified as critically important. These include the sources of new knowledge (i.e. the main innovation partners), the geographical dimension of knowledge sourcing activities, and the channels through which knowledge is sourced. The literature dealing with these three dimensions has provided a differentiated view on these phenomena. However, it also tends to claim that certain knowledge sources, geographical levels and channels of knowledge transmission are more important than others. This paper takes a critical stance as regards this preferential treatment of certain types of knowledge sourcing, which is still relatively common in the scientific debate. In line with the findings offered by more recent research, we claim that it is “knowledge combinations” that matter for innovation. More precisely, the paper intends to advance the understanding of how innovative firms combine knowledge (1) provided by different sources, (2) accessed at different spatial scales, and (3) acquired through different channels. Our approach is twofold. In the conceptual part, we compare and contrast four widely cited and used concepts, namely the local buzz and global pipelines argument, the knowledge base approach, the STI and DUI modes of innovation as well as the regional innovation systems concept. In the empirical part, we analyse knowledge sourcing activities and knowledge combinations employed by 181 firms belonging to the Austrian automotive supplier cluster. As regards the conceptual contribution, we show that the four mentioned concepts offer partly similar and partly different perspectives on the pattern of knowledge sourcing and its relation to innovation. They also vary in the extent to which they address the three dimensions of knowledge sourcing. Some elements of the concepts can be seen as complementary while others are contradictory. We elaborate on a synthesis that provides deeper insights into firms’ knowledge sourcing activities and knowledge combinations that matter for innovation. Our empirical findings reveal that it is, indeed, combinations of knowledge sourced from different partners and acquired through different channels that matter. However, our analysis also suggests that in the Austrian automotive supplier cluster it is particular knowledge combinations that dominate while others are negligible. Looking at the most important knowledge sources, we find that there are practically no firms that only cooperate with universities or suppliers; firms - with very few exceptions - always combine knowledge from these sources with knowledge provided by clients. Examining the spatial dimension of knowledge sourcing activities employed by Austrian automotive firms, a high importance of the international level is found. Hardly any of the firms have only regional knowledge links while the vast majority has international ones. Most of the combinations involve the international level combined with the regional and/or national level. Furthermore, as regards the channels of knowledge transfer, the results show that more complex knowledge sourcing mechanisms such as cooperations or contract research are almost always combined with open sources such as literature, patents, fairs, etc. Finally, the results provide evidence that firms that combine different knowledge sources and channels of knowledge acquisition are more innovative than those that rely on one source or channel only. In contrast, we find that overall the geographic combinations matter less, i.e. it seems that international, national and regional sources substitute each other. However, this finding needs to be interpreted in relation to the dominance of international supplier-clients linkages versus the dominance of regional and national linkages to knowledge providers.

ENTREPRENEURIAL URBAN GOVERNANCE SHAPING REGIONAL TERRITORIES

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The aim of this presentation is to discuss how the ongoing decentralization processes of the state transforms and shapes regional territories and regional politics and policies. The discourse of enhanced competition between different places has led to new territorial strategies aiming at enhancing the competitiveness of

places, both at a local, regional and national level. This has resulted in the implementation of urban regeneration policies where different place marketing techniques are used to strengthen a place brand or a place image. To a great extent these policies work in favor of supporting larger metropolitan areas, both as growth engines but also as representative and image building for a larger region. Harvey (1989) calls this shift from a state Keynesianism building on convergence between weaker and stronger regions, to new policies supporting economic growth on the local, regional and national level entrepreneurial urban governance. This entrepreneurial urban governance rather supports urban metropolitan areas, than less economic developed regions. It is the city-regions that are seen as able to compete with other regions all over the world, where the importance of being a “global city”, represented by cosmopolitanism, culture, diversity, internationalization and most important as a financial center and as a headquarter for international firms that are promoted. These processes are characterized by market driven growth, flexibility, competitiveness but also larger economic disparities between regions and cities both nationally and internationally. To adapt to the competitiveness discourse new territories and spaces are being created. The concept of urban regeneration of a city or in this case a region to better its reputation has led to a shift away from being a provider welfare services to the importance of being someone in an international market by changing its image and reputation. In some cases by focusing on a larger urban area to create a different image as a metropolitan region represented by cosmopolitanism, culture, diversity but also by being innovative, learning and entrepreneurial. Policies and planning are enhancing urban economic development, by investments in infrastructure, new shopping areas, new neighborhoods, flagship projects, monuments but also by privatization of welfare services and public space. As a result there has been an increase in different place marketing techniques that aiming to better the image and the place brand of a certain region to attract investments, firms, visitors and new inhabitants to the region. Capital and investments are no longer as place bound as before which increase the competition between different places and a necessity to be as attractive as possible in an international market. New solutions such as New Public Management are therefore challenging more traditional political systems in the democracies of the western world. Public administration have more similarities with how firms and businesses are run by being dependent on the market, rather than being a provider of public services, democratic responsibility and public participation. The competitiveness discourse shapes territory and space, creating new and complex networks of relations between multiple actors in society, both private and public. This in turn makes it difficult for citizens to affect politics and the creation of space leaving little or no room for marginalized groups in society to participate. Based on two separately case studies of two essentially different regions, one administrative region, Värmland in Sweden and one informal, functional region “The 8 million city”, stretching from Oslo in the north to Copenhagen in the south, the practices and techniques used in urban regeneration projects on the regional level will be presented. Keywords: Urban regeneration, territory, regional politics and policy.

Gateway L

EDUCATION AND MIGRATION: EVIDENCE FROM FINNISH LONGITUDINAL DATA

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Prior analyses on the relationship between education and migration decision are extensive. They have systematically found positive relationship between these factors. Also number of explanations has been given for the positive relationship. One is the existence of a greater earnings differential between regions – thus greater potential benefits from moving – for the highly educated. Second, highly educated workers may have a better access to information about the potential job prospects and living conditions in other regions. Third, a higher level of educational attainment may open up new opportunities in a wider labour market. Lastly, psychic costs resulting from the agony of departure from family and friends are said to be non-increasing with education. Still we argue that the literature on education and migration is limited. First, only a few studies have provided convincing evidence on the causality of the relationship. Second, the longitudinal aspects of the relationship are not usually investigated. The relationship may change over time, and therefore differ according to the cohort of the individual, for example, because the demand for low vs. high-educated labour changes. At the individual level, migration propensities evolve over time as the person gets older and time has passed since the graduation of education. Thus, the effect of education on migration propensity may also differ over time. Hence, in this paper we study the effect of education on migration decisions of individuals

close to their graduation from specified education. The empirical analyses are based on the Longitudinal Census File and the Longitudinal Employment Statistics File constructed by Statistics Finland. These two basic register files were updated annually from 1987 to 2006. By matching individuals' unique personal identifiers across the censuses, these panel data sets provide a variety of register-based information on the residents of Finland. The longitudinal data allow us to observe the lengths of residence spells and to control for a variety of other personal, household, labour market and regional characteristics that are likely to affect the migration decision. The data are also merged with information on a polytechnic, higher education reform that took place in Finland in the 1990s. It gradually transformed former vocational colleges into polytechnics and also brought higher education to regions that did not have a university before. The expansion of higher education provides exogenous variation in the regional supply of higher education.

Gateway D

THE IMPACT OF REGIONAL TRADE AGREEMENTS ON NORTH AFRICAN COUNTRIES' FOREIGN TRADE AND ECONOMIC WELFARE, EVIDENCE FROM ALGERIA AND THE EUROPEAN UNION ASSOCIATION AGREEMENT

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Paul Jones, University of Plymouth, UK

Robert Newbery, University of Plymouth, UK

North African countries trade performance for the last two decades has been disappointing. Efforts to boost trade through regional trade agreements are wide spread. The aim of this paper is to provide additional empirical evidence from the Algeria and the European Union Regional Trade Agreement (Algeria-EU RTA) on the impact of regional memberships on North African countries' foreign trade and economic welfare. Design/methodology/approach: Several prior studies have argued that RTAs tend to increase trade flows and enhance economic welfare among country members and particularly developing ones. However, other studies have demonstrated that RTAs may improve intra-regional trade at the expense of trade with outsiders (diversion), thus reducing economic welfare. The study attempts to provide additional evidence from a North African country on whether joining a North-South RTA would create trade and have a positive influence on its economic welfare. This study involves both an ex-ante and ex-post analysis. The former is mainly based on observations of trade movements and trade indicator calculations, whereas the latter is based on both quantitative methods using the Lloyd and McLaren model and qualitative evaluation using a Vinerian Approach. This research covers a 10-year period (2000-2010). Findings: The ex-ante analysis shows that the Algeria-EU Association Agreement was undertaken with two natural trading partners, and thus was expected to create trade and improve economic welfare. This is confirmed by the ex-post analysis as the qualitative study shows that the agreement has positively influenced Algerian trade and led to trade creation in most of the sectors (non-hydrocarbon). Moreover, it is indicated that Algerian economic welfare increased after the implementation of the Association Agreement and confirmed the statement and findings of several of past studies. Nonetheless, it is important to mention that the trade creation occurred mainly in imports rather than exports. Thus, the quantitative study reveals that although economic welfare increased after the Association Agreement implementation it remained negative. This leads to the conclusion that although the regional membership may create trade, for North African countries, it may not be sufficient to overcome export issues and regulate trade. Originality/value: This research provides additional empirical evidence to the literature on whether joining North-South regional memberships can improve North African countries' foreign trade and economic welfare.

LOCAL FOOD FOR INTERNATIONAL TOURISTS: EXPLORING FOOD KNOWLEDGE DYNAMICS IN THREE RURAL TOURIST DESTINATIONS

Henrik Halkier, Aalborg University, DENMARK

Combining tourism and food has a powerful appeal to public policy-makers in rural destinations. offering regional products and culinary traditions to international visitors has the dual advantages of adding a new component to the image of the tourist destination while at the same time creating additional economic activity in and around the destination. Like in other areas of public policy, translating ideas into successful action on the ground is, however, a challenging endeavour. In order to create synergies between local food and tourism development in rural destinations, specific products or culinary practices must be produced in order to be packaged for tourist consumption, provision must be organised so that experiences are accessible to visitors to the destination, their attraction must be communicated to existing and potential visitors, and they must of course be in demand by tourists in order to be economically viable from a long-term perspective. In practice these four issues are of course closely intertwined, and this paper concentrates on the somewhat less explored issue of making food experiences grounded in the regional accessible to international visitors, i.e. the organisation of local food experience 'production chain' in relation to incoming tourists. Research is based on an extensive review of the existing literature on local food networks, which is then confronted with findings from three empirical case studies in rural destinations in Denmark. Empirical research will draw on a review of existing evaluation reports and an extensive series of interviews with public and private actors relevant from a culinary tourism perspective. Results are expected to highlight firstly the difficulties in building cross-sectoral networks in a context with heterogeneous actors and short-termist political agendas, and secondly the gradual emergence of three different modes of governance in relation to food tourism in rural destinations.

THE RISE OF NON-STATE URBAN AND REGIONAL STRATEGIES

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The early part of the 21st Century has seen city-regions retaining and affirming their status as pivotal political-economic and societal formations in globalization. Part and parcel of this discourse has been the extraordinary appeal among policy elites to plan and implement economic development policy at the scale of city-regions, with new forms of governance being actively encouraged. The UK (especially England) has been no exception with a host of economic development strategies launched to operate across a variously defined city-region scale. Nevertheless, critics have argued that a 'thin' approach has been adopted, with economic development strategies branded as city-regional producing nothing more than a patchwork quickly of assorted, weak, and often contradictory initiatives which ultimately fail to live up to expectation. Characteristic of a prevailing neoliberal state spatial restricting and governmentalized remapping of state space, each new initiative is appearing somewhat less governmentalized than its predecessor (see Local Enterprise Partnerships). The aim of this paper is to explore alternative models of city-regional development, and more broadly the rise of non-state spatial strategies. Illustrated through case studies, most notably Peel Holdings Atlantic Gateway Strategy in North West England, the paper showcases the near-future potential for a growth in alternative place-based economic development strategies designed, orchestrated and implemented by non-state actors. In an era where both state and society find themselves increasingly behoved to non-state actors, in particular major private investment groups, to deliver the future jobs, growth and regeneration of our major urban regions this paper highlights a series of important concerns that the rise of non-state spatial strategies poses for place-based economic development interventions. Not least of these concerns are the privatisation of local democracy, in what people are increasingly referring to as the depoliticised or post-political urban condition, and the ownership of key local and regional infrastructure (e.g. transport, energy) and public service assets (e.g. schools, hospitals, fire stations).

DECODING BORDERS; APPRECIATING BORDERS' IMPACTS ON SPACE AND PEOPLE

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This paper aims to unpack the complex concept of borders by revealing their often nuanced and underestimated impacts on space and people. According to Anderson & O'Dowd (1999) the term border refers to a legal line, which is separating different jurisdictions. But a border is much more than just a legal line on the map; it becomes reality by the meaning that is attached to it (van Houtum 2011). In other words, borders always imply interpreting and navigation! A border is comprised of an overlapping set of boundaries (geopolitical, socio-cultural, economic and biophysical) of which all are having their particular functions, meanings and roles. Examining this complex boundary-construct provides an understanding of why borders are/were drawn and by whom as well as how they are justified and interpreted. Thus the paper highlights that borders do not just happen; they are the outcome of the bordering process, where certain functions, meanings and roles of boundaries (in most of the cases geopolitical or economic ones, driven by arguments like 'power and control', 'sovereignty' or 'security') are prioritised over others (in particular those, which do not have a strong voice, e.g. nature or social issues). This decoding of the bordering process provides an understanding of why some borders sit uneasy within the territory and why border disputes might emerge. In other words the paper emphasizes that it is not enough to only make a border more permeable (the geopolitical dimension) but in addition to find solutions for overcoming all the underlying – sometimes conflicting – boundaries (e.g. social or cultural conflicts, often represented in form of stereotype pictures, etc.) In so doing it establishes an essential basis for any cross-border cooperation activity. Agreeing with Paasi (2005) that one has to understand the historically contingent process of territory building, the paper examines the changing nature of borders and how this affects the underlying boundaries in the case of Austria. Considering that Austria (in its current shape) was not on the map before 1945 and that in its early days not even the Austrian politicians believed in Austria, it provides a unique case to understand how borders unify and divide, include and exclude as well as change over time and space.

THE EVOLUTION OF POLICY AGENCY AND LEADERSHIP IN REGIONAL INNOVATION SYSTEMS: CASES IN GERMANY AND SOUTH KOREA COMPARED

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The basis of regional innovation systems (RIS) are regional networks and interdependencies between firms and organisations such as research institutes, financial service providers, technology transfer agencies or regional governments as well as institutions in terms of norms, rules, routines and conventions (Cooke et al. 1998). The systemic dimension of RIS results from the coupling of several subsystems (Cooke et al. 1997) leading to synergy effects of enhanced regional innovation capacities (Edquist 2001). By defining more or less favourable conditions of these subsystems the RIS approach becomes particularly relevant for regional innovation policies. Cooke et al. (1998) argue that regional policy interventions appear to be most effective when regions display characteristics such as high financial autonomy and control of infrastructures, high political competences and dense knowledge networks. At the same time, though, there is no best-practice or one-size-fits-all model of RIS. Instead tailor-made policy measures are required according to specific regional arrangements (Tödtling and Trippel 2005). Recently a more evolutionary take on RIS is getting en vogue (Uyarra 2009), analysing changes of RIS over time using key notes from evolutionary economic geography, such as path dependence, co-evolution and lock-ins (Hassink and Klaerding 2011). In a similar vein, our contribution will focus on the role of policy agency, leadership and institutional entrepreneurship (Sotarauta & Pulkkinen 2011) in explaining the degree of institutional stability versus volatility of RIS in Baden-Württemberg, Germany, and Gyeongnam, South Korea during the last twenty years. We tentatively conclude that Baden-Württemberg's RIS has been more stable than the more volatile RIS of Gyeongnam, which can only partly be explained by differences in leadership and institutional entrepreneurship, but to a larger extent by differences in the national political administrative system.

Faith Hatani, University of Manchester, UK

Public policy reform constitutes a critical part in improving the business environment of a country, and also influences the competitiveness of indigenous firms in a global market. Policy reform is particularly complex in the sector that is locally embedded, and in which a substantial number of business actors are operating while formal institutions remain intact, such as infrastructure sectors – e.g., transport, communications, and water management. The privatization of infrastructure sectors across the world has also added complexity by blurring the boundary between public and business actors in their activities and roles, and deepened their interactions. Thus, policy reform and regime change today will have to face large coordination challenges involving both business and public actors. Backed by progressing globalization, for instance, many countries have undertaken institutional reform in the port sector since the 1980s. However, the outcomes of the reform have not always been successful. Although ports are traditionally regarded as public goods of a country, they have now become the milieu of global competition, where the main actors are predominantly private corporations, such as logistic firms, shipping companies and an increasing number of private port operators, and their interests rarely coincide with local port authorities' concerns. Moreover, depending on their experience and inherent behaviors, actors at different levels are likely to have different priorities and respond differently. This can create institutional divergence among actors in a given policy area, which could impede intended reform. In the light of historical institutionalism, this study analyzes how institutional divergence may arise between business and public actors. Historical approach has a particular relevance to business-government interaction in mature economies because, unlike emerging and transitional economies, mature capitalist economies have established – and perhaps once successful – institutions in business-government interaction, which can be difficult to transform. To explore these issues, we examine the port reform in Japan. The Japanese government launched a nationwide port reform, so-called the "Super Hub-Port Project" in the beginning of the 2000s in order to improve the deteriorating position of Japanese main ports in a global market. However, the progress of the reform was sluggish undergoing inconsistencies and tensions among business actors, local port authorities, and the central government. To provide in-depth analysis of different actors' perspectives in the reform process and illustrate the institutional divergence in business-public interaction in a local context, this study focuses on Osaka as the case setting. Osaka is the second city of Japan and the home of the Port of Osaka, which was listed as one of the key ports in the reform project. Because of the city's geographical and political position in Japan and its unique local institutions, however, Osaka has become the epitome of contradictions associated with the port reform. In order to examine the root of the failed institutional reform, this study examines a longer haul of history of Japan's port reform by combining archival data and direct interviews with both business actors and local port authorities. By doing so, the study aims to provide managerial and policy implications for institutional reform.

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Creative international entrepreneurs living and working in remote locations have special relationship with places and regions they live in. Entrepreneurs choose to live and work in these remote places despite it would possibly be more beneficial for their business to live in bigger cities. The places might be sources for inspiration, materials and communication needed for successful knowledge creation. The presentation addresses a case study of eleven creative entrepreneurs and artists who live and work in the Lapland of Finland. They are focused on different fields, for instance in jewelry and painting. All of them are internationally renowned in their own fields. For instance, some of them have won international competitions, some hold regularly invited art exhibitions abroad. The collection of the empirical materials progressed in two stages in 2012–2013. In the first stage, all the study participants were interviewed, they guided a tour in their companies and studios, presented their work, and their web-pages were analyzed. Three most interesting entrepreneurs and artists were selected for the second stage. This stage included observation of working (with

video) and walk-talks. The materials are analyzed through a specific spatio-temporal framework. According to this framework both time(s) and space(s) should be regarded simultaneously in the analysis of the knowledge creation process. In more detail, space consists of object, communicative and cognitive dimension that become folded in knowledge creation. Creative entrepreneurs communicate with other people and material space and interpret the communication in cognitive space of interpretations and mental maps. Time includes linear dimension of years, dates and clocks, but also relational time of feeling time slow, fast or flowing, for instance. The results show the meaning of communicative space for knowledge creation. The creative entrepreneurs and artists communicate with material space through specific experiences and interpretations of cognitive space. For instance, communication with animals, silence and darkness might create temporal connections between different parts of the unique mental maps individuals have. These temporal connections, in turn, might be combined with the more general aims of the entrepreneurs' work and become meaningful ideas for knowledge creation and connect the entrepreneurs to their international spheres. Sometimes strong interpretations and experiences might block the ideas to be materialized.

Gateway A

HUMAN CAPITAL IN THE TRANSFORMING ECONOMY: DEMAND, INSTITUTIONAL DEVELOPMENT, MOBILITY

Mikolaj Herbst, EUROREG, University of Warsaw, POLAND

Jakub Rok, EUROREG, University of Warsaw, POLAND

A great body of research show that human capital stock and quality have significant impact on regional growth. Therefore, both investment in human capital formation (education), and the interregional mobility of highly educated individuals are important determinants of regional economic potential. The transforming economy of Poland provides a valuable evidence on how the shift toward a market economy affects the demand for education, the development of educational institutions and the spatial mobility of the skilled members of the labour force. We investigate these issues using both commonly accessible public data and the unique dataset collected from a social media web site, allowing to track the educational and post-educational mobility of individuals. We formulate general conclusions on the dynamics of human capital development in the transforming economy, as well as the forecasts of the future differentiation of regional wealth as a consequence of human capital migrations.

Gateway N

THE INTERNATIONALISATION OF THE REGIONAL – CONFLICTING AND COMPETING INTERESTS, REPRESENTATIONS AND POLITICS BETWEEN ‘OLD’ AND ‘NEW’ REGIONALISM: SOUTHERN SWEDEN BETWEEN THE ØRESUND AND THE BALTIC SEA REGION

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Cross-border linkages and cooperation have become key strategic concerns in improving economic competitiveness and, at European level, facilitate integration and economic cohesion. Conventionally, the main actors and arenas of such engagement have been considered the natural prerogative of states, formally agreeing forms and format of any cross-border co-operation. Nevertheless, not at least owing to encouragement through EU policies, such as the Euroregions, actors at sub-national scales, especially large cities and city regions, have sought to ‘go it alone’ and establish their own international connections and relations. As a consequence, borders have become perforated by such – inherently selective connectivities. New – albeit virtual – spaces are thus being constructed around these network relations. These are essentially built ‘bottom-up’ through negotiated and agreed collaboration between like-interested actors at the local and regional level, rather than merely implementing locally policies that have been top-down defined by the centre, especially around international borders. These changes produce new scales and qualities to cross-border networks and policies (e.g. Eurocities), producing new forms of institutional expression and inter-actor competition. Yet this network-based urban internationalism creates new divisions and inequalities in

opportunities, effectively leaving the non-urban, less connected and less pro-active parts of conventional 'old' regions behind. The example presented here, the international Øresund Region between Sweden and Denmark, illustrates very well the scalar complexities of spatial and institutional overlaps and intersections of responsibilities, interests and political capabilities, as well as institutional capacities. This manifests itself in competing positions between the established formal regions and the main cities for influence on shaping the international agenda of collaboration within, and degree of institutionalization of, the Øresund Region between the urban and regionally-based actors. Clearly, a divide emerges between the main urban areas and the non-urbanised 'rest' of the regions within which the Øresund Region sits. Their relative peripherality becomes accentuated even more. Policy responses there may be a continued traditional reliance on the state as 'benefactor', or seeking alternative networks. And succeeding here depends on political imagination, capacity and courage, especially at a time of diminished scope for, and willingness of, states to counteract the effects of peripherality. For the Region Skåne, the Baltic Sea Region may offer an alternative vehicle for the internationalization of local and regional interests and positions.

Gateway QVI

WHAT ACTUALLY DRIVES THE CLUSTER THROUGH ITS LIFE CYCLE? UNFOLDING TYPES OF KNOWLEDGE, ANTECEDENTS AND PERFORMANCE CONSEQUENCES FOR CLUSTER EVOLUTION

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Our understanding of how clusters evolve through their life cycles is still in its infancy. Despite notable exceptions to a general lack of attention paid to the subject, there does not as yet exist a comprehensive theoretical framework which analytically differentiates the varying effects of antecedents, or the differing performance consequences resulting from alternative cluster life cycle (CLC, hereinafter) trajectories. In fact, there is a lack of critical argument on the subject, and nor is there an established predictive theory capable of providing testable hypotheses about which components best explain why clusters evolve, or about the reasons for different types of evolution, or for different performance consequences. Until now, the greatest consensus has been about the types of stages which form the CLC, that is, "emergence", "growth", "maturity" and "decline". We follow the fundamental idea of Menzel and Fornahl (2010) that changing knowledge heterogeneity in clusters drive them to shift and evolve across life cycle stages. This paper posits that there are different types of knowledge, with differing characteristics, which have the potential to drive a cluster towards different stages and performance consequences. We contribute to the unresolved debate about why clusters evolve and transit across their life cycle stages. Our paper takes a step in the direction of developing an integrated framework for analyzing differentially the effects of antecedents formed by a combination of endogenous and exogenous change processes. These processes may be capable of producing synergistic multiplier effects and a cumulative causation which creates new knowledge, and which in specific forms may determine a cluster's particular evolution across its life cycle stages. The paper presents a clear-cut distinction between clusters changing through incremental (exploitative) evolution, and those changing thanks to radical (exploratory) breaks, depending on the specific type of knowledge created. Incremental knowledge creation by existing firms is exploitative in nature, competence-enhancing, arises mainly from incorporation in strong ties, and is usually initiated by incumbent TGs; whereas disruptive knowledge creation is mainly initiated by new entrepreneurial firms, is exploratory in nature, is competence-destroying and requires the existence of extensive weak ties in order to allow firms to grasp distant (to the cluster and local technology dominance) knowledge. Each type of knowledge determines a different shift in cluster evolution. The paper uses longitudinal data based on an in vivo analysis of the Castellon ceramic tile cluster over the last 30 years, and considers the effects of two major technological changes; (i) the insertion of engraved silicon cylinders (Rotocolor technology), which have the capability to upgrade the efficiency and productivity of a cluster, and to enlarge (or sustain) the central stages of its life cycle; and (ii) the development of ink jet technology, which may disrupt a cluster and provoke radical renewal. Specifically, the firms (and their networks and dynamics) introducing those technologies, and the subsequent types of knowledge created, are analyzed, emphasizing the differing performance consequences for CLC evolution. Finally, the paper presents confirmation of stated hypothesis which will help in the development of a comprehensive framework for understanding the

evolution of clusters, and which open up new research avenues for the cluster literature and for evolutionary economic geography.

Gateway P

DIVERSIFYING SPACES FOR THE DELIVERY OF RENEWABLE ENERGY INFRASTRUCTURE

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It is well established across a range of disciplines that policy change over time is a result of complex interactions between ideas, interests, actors and institutional processes. Hall's (1993) three stage model of paradigm shifts, alterations to existing instruments, adoption of new instruments, and goal alteration paradigm shifts, remains one of the most well known. The idea of a paradigm shift aligns closely with path dependency related concepts of punctuated equilibrium (Collier & Collier 1991), however it has been argued that such a conceptualisation fails to account for the ability of existing paradigms to manage change (Oliver and Pemberton 2004). Rather it has been contended that change is often transitional, whereby a transition is defined as '...iterative, incremental processes of change towards uncertain futures' (Brown et al, 2012:1608). Bailey and Wilson (2009) modify Hall's approach and offer an iterative perspective around the notion of transition, through the use of transitional shifts, decision-making corridors, and transitional ruptures. The contention is that diversification (in practice for example) occurs as agendas evolve reflecting changes to structural factors (e.g. funding opportunities; economics) and emerging priorities (Bailey and Wilson, 2009). Traditionally this concept has taken account of history and context but less emphasis has been placed on how specific spaces change and diversify over time. The constraining factors of history, context, and time on space are present in Massey's (1984) 'rounds of accumulation' which implies a path-dependent approach to spatial development that is historically and contextually contingent. Similar discussions by Paasi (2001) and Richards et al. (2004) emphasize places as constructs that interact with the components of society and are therefore always subject to change and linked to past conceptions of place and tie closely to Brenner et al. (2003) and Jessop et al. (2008) who argue that while space is constantly emergent it's future trajectories are also constrained by previously constructed space. Jones has expanded on many of these ideas in his conceptualisation of phase space whereby the interplay between constructed and emergent space results in a series of 'phase space' layers that are "formed through the passage of events, legacies, and practices" (Jones, 2009; 500). Critical to the concept however is that these layers "can be redefined by changing the co-ordinate frame in which they are mapped and viewed" (Richards et al., 2004; 344). The 'norm' in decision-making might hold but Jones contends that space – as a result of diversification in its form and function – can be viewed as multi-layered and variable depending on the perspective (individual or institutional), or co-ordinate frame, chosen as the agent of analysis at a particular moment in time. This paper utilises concepts of phase-space and transitional theory to explore the diversification of marine ports as part of the Scottish Government's renewable energy agenda. We use content analysis and semi-structured in-depth elite interviews with a range of public, private and non-profit actors to explore the process of diversification, the drivers behind the agenda, and explore the opportunities and challenges that come with diversifying marine port space as part of the renewable energy agenda.

Gateway P

INVESTIGATING STRATEGIC SPATIAL THINKING IN LOCAL INFRASTRUCTURE PLANNING PRACTICE

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The case for continuing to promote and develop strategic spatial planning in England has been strongly reinforced in recent literature (Wong & Baker, 2012; Hincks & Baker, 2013). It has also been suggested recently

that the fundamental principles of spatial planning continue to have relevance for policy makers and planning practitioners irrespective of electoral changes such as the recent transition from New Labour to the Coalition government (Haughton & Allmendinger, 2012). The general conclusion to be drawn from this recent analysis, therefore, is that the issue of strategic spatial planning is alive and well, and likely to be an enduring feature of the planning system in England. Exploring the implementation and application of strategic spatial planning at all spatial scales in England provides a rich source of new research opportunities. A recent study undertaken for the Royal Town Planning Institute, *A Map for England* (Wong et al, 2013) makes a powerful case to show the importance of achieving a more integrated, co-ordinated and strategic approach to policy making, and warns about the damaging consequences which can result from a lack of attentiveness to strategic spatial thinking. However, the research has, so far, focused on the consequences of national policy making. The localist agenda of the Coalition, the demise of the regional strategic tier, and the national-local nexus which is now confirmed as the preferred governance architecture of choice, brings the role of local level practitioners into much sharper focus in strategic policy making terms. This paper summarises the findings of a 3 year research study into local infrastructure planning practices; the aim of which has been to explore the collaborative capacity which currently exists to sustain a more strategic spatial planning approach at the subnational scale. Methodologically the paper is based on extensive research with local authority planners and key infrastructure providers. The national survey of local authority planners has benefitted from the generous assistance of the key professional planning bodies and interests in England: the Royal Town Planning Institute (RTPI), the Planning officers Society (POS), the Town and Country Planning Association (TCPA), and the Planning Advisory Service (PAS). The project findings are also centrally based on detailed interviews with 3 particular infrastructure provider agencies; the Environment Agency; the Highways Agency; and United Utilities plc, the private water company for the North West of England; all of whom have given detailed accounts of their own experiences and expectations of infrastructure planning with local authorities. The findings reveal new insights into the ways in which integration and partnership working are perceived not just in contemporary practice across English local government, but more broadly across other sectors. The study provides a useful basis from which to evaluate how collaborative theories have impacted on current planning practice and infrastructure delivery, and the implications for future local and strategic policy development.

Gateway H

IS TOURISM A THREAT OR AN OPPORTUNITY FOR SÁMI EMANCIPATION? THE CASE OF AMMARNÄS, SWEDEN

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Is tourism a threat or an opportunity for Sámi emancipation? The case of Ammarnäs, Sweden Fredrik Hoppstadius Karlstad University, Sweden Department of Geography, Media and Communication Gateway: H. Creativity, Identities and Branding This study examines the underlying structures of empowerment and emancipation that influence Sámi tourism entrepreneurs in the village of Ammarnäs in northern Sweden. The research takes the form of a case study where three in-depth interviews were employed to gather perspectives. I give an emic account focusing on meaning and value based conceptualizations to explore how Sámi tourism is related to empowerment and emancipation from structural injustice. The concept of empowerment and emancipation that emerged during the interviews are analysed with theories of postcolonialism and transmodernity. The findings indicate that empowerment is prominent among the respondents due to the interweaving of cultural expressions with entrepreneurial initiatives and counter-reactions to postcolonial prejudice. The respondents utilize creative measures of reclaiming their own identities from the stereotypic tourist preconceptions by means of creating a narrative. Storytelling is used as a way of getting through to the tourist, by breaking the outside perspective of understanding their culture and instead focusing on the story that the respondents themselves want to mediate. The respondents are empowering themselves and taking control of how the tourists they encounter perceive Sámi culture and tourism. By doing so the Sámi tourism entrepreneurs open up new lines of reasoning and understanding about their role and standing in their local community. Emancipatory inclusion in Sámi tourism development lies in finding unjust aspects in society and then exposing them. In this regard tourism could assist Sámi emancipation. However, the study shows that a great deal of internal Sámi collaboration is needed to address external injustices, e.g. a lack of political power. When discussing the external forces affecting their lives and businesses the respondents displayed evidence of being somewhat irritated about perceived political

injustices. Thoughts about external power relations led to the contemplation of internal Sámi structures and how those structures affected development. The most problematic structural situation to overcome is the lack of collaboration and political unity. The respondents believed that political unity is possible and necessary yet currently not possible due to lack of local internal collaboration. Emancipation and the change of current structures seem like a notion that has not been developed to the same degree as the notion of empowerment. If the ethno-political necessity and utilisation of Sámi tourism were to be decided upon from within Sámi culture, then the process of emancipation would be more prominent.

Gateway E

LEADERSHIP, GOVERNANCE AND PLACE IN THE KNOWLEDGE ECONOMY: THE CASE OF BRAINPORT EINDHOVEN IN THE NETHERLANDS

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Recent discussion on sub-national leadership suggests that (formal) leader practitioners working across local and regional economic development policy are struggling with new and unfamiliar complexities. At the same time, the continuing debate around the effectiveness of sub-national economic development policy for the so-called 'knowledge era', shows recognition of the importance of the leadership dimension. However, causalities between formal leadership and 'good' economic development policy outcomes remain largely unproven in the messy setting of urban and regional development – and from an empirical perspective we still know relatively little about the importance of leadership of place in the pursuit, stimulation and generation of entrepreneurial synergies, in the particular context of the knowledge economy. The central question in this paper is: how can entrepreneurial synergies in places be stimulated by leadership and governance in the context of the knowledge economy? We will pay special attention to experimental leadership practices and investigate the ongoing (re)formation of governance networks in a triple-helix constellation, network cooperation between businesses, governments and knowledge institutes. The goal of the paper is to analyse what is working and not working from the leadership perspective, and why. Also is considered the extent to which both "universal" and "locally contextualised" characteristics of leadership can be identified in this case – and is assessed till what extend place-based characteristics play a role in enhancing sub-national economic development. The first section of the paper gives some reflections on the importance of place, the role of leadership in sub-national development and the interplay between knowledge, place and leadership. This paper contributes principally, however, to the development of grounded ideas about leadership of place by empirical learning. The second part of the paper therefore is based on a case study of knowledge leadership 'in action' at the sub-national scale, 'Brainport' Eindhoven in the Netherlands. This case is especially relevant for analyzing the creation of entrepreneurial synergies and be considered as a typical example of a 'triple helix constellation'. Data were collected via 20 interviews in 2008 and in 2012, and retrieved from documents and governmental plans. This paper showed the importance of knowledge leadership in creating entrepreneurial synergies in the region Brainport Eindhoven. Key-persons of the private sector, science, and government took initiative, cooperated, trusted each other and were capable to frame important issues and align people around the agenda of Brainport. The socio-spatial quality of this place, path dependency and the establishment of a regional regime explain the clustering of high-tech firms in a context of pro-active policy support, embedded in a cultural tradition of public-private cooperation. The paper gives insight how key-persons can enhance entrepreneurial synergies rooted in place-based assets, by using network power, resources, 'windows of opportunity' and by linking ideas, inspiration and individuals. The findings offer insight in the importance of place and the leadership dimension in the context of the continuing debate around the effectiveness of sub-national economic development policy for the so-called 'knowledge era'.

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Present study examines the methodological approaches by which the competitiveness of city regions can be determined. Using the most significant international index systems special attention is paid for the indicators which vitally determine the whole competitiveness of the given city region. Regional disparities in terms of wealth and living standards are well known. Simply recasting the spatial scale to the city-region does not change the underlying fundamentals of regional performance. Since according to the results of the relevant methods one of the most important factors connects to innovation and knowledge-based industries the other purpose of this study is to investigate how the foreign direct investment (FDI) of high-tech firms leads to agglomeration and competition among cities and city regions. Many studies have found that cities with large populations can facilitate the transmission of ideas and knowledge spillovers, and therefore the primary role of core cities is to generate innovation. Over the past few years, a large number of studies have focused on whether population or employment is critical to the source of city growth. The estimation results based on a co-integration system reveal that the core city employment can be considered as an engine of this city region economy. A city region usually possesses relatively vigorous business activities that attract many workers from its suburb and beyond the city region. Therefore, the impact of commuting workers on the development of its central city cannot be overemphasized. Unfortunately, only some studies focused on the employment of the core cities and the larger urban zones. Numerous attempts have been made by scholars to demonstrate that wasteful commuting caused by too long travels should be calculated more correctly based on urban structures. In recent time, a great deal of effort has been made to understand suburbanization problems that have been a universal problem internationally, and it has proceeded at a deeper level and more rapidly. In particular, in the era of globalization, if suburbanization is an inevitable process, we should know about the present and future suburbanization stage to improve the competitiveness ability of city region. The comprehensive factors being able to determine the whole competitiveness of city regions are as follows: the quality of enterprises, the human resource, the industrial structure, the elements of living environment, the immaterial and material business environment and global connections. Some of the indicators are so-called hard indicator such as industrial structure, the development of services and financial sector, situation of labour market while others are so-called soft indicators such as organizational culture, corporate management or the characteristics of government services. As an important element, total factor productivity of the manufacturing industries in the major metropolitan areas also could be analysed and compared.

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The present paper seeks to advance understanding on knowledge-based cluster transformation. Cluster's ability to change has recently attracted increasing attention. While the life-cycle approach describes such changes, its inability to really explain these have become evident. Change usually starts small. The present paper focuses on a set of small changes that are related to emerging new business in one Finnish cluster. To get at these small changes, the level in which the process is unfolding must be identified: Within the Turku high-tech cluster there is a bio/health cluster within which there is a biomaterials cluster, within which there is a small group of companies developing materials to be implemented in human bone. All of the biomaterials companies are actively utilizing knowledge created in the local universities. The empirical focus of the paper is in the on-going transformation of the small, knowledge-based bone biomaterials group, and the interaction between this transformation and the broader cluster(s) surrounding it. The local firms have created, combined, and utilized new research knowledge as they have developed business ideas and products on the biomaterials market. The first bone biomaterials company emerged in 1990s around the innovative idea that materials that strengthen human bone could also contain useful bioactive properties. However, in late 1990s, another approach, which was based on the use of fiber-composites, emerged. Here the material was not active, but displayed exceptionally bone-like properties together with a new, less invasive application

methodology. From the cluster point of view, the most interesting development is that the two different approaches have in recent years fused and products utilizing the best of both worlds are being developed in a couple of local companies. The question of the paper is, how this has happened and what was the role of the cluster context in enabling the new development. While the above-described development represents only very embryonic stage of cluster transformation, the perspective is long enough to highlight some key issues. Yet the change is still on-going, which enables also direct observation to counter post-hoc rationalizing. The methodological approach is a case study that follows research around the biomaterials, on the one hand, and (cluster) activities required to utilize the emerging knowledge, on the other. Data collection involves document analysis to create a basic timeline of related developments, and interviews of the key researchers and company representatives to understand how the different events were related to each other. The results indicate that cross-disciplinary training and research of the innovative university researchers is, among other things, an important enabler of innovative collaboration between cluster firms.

Gateway D

SERVICES OF GENERAL INTEREST AS A PREREQUISITE OF COMPETITIVENESS? REGIONAL AVAILABILITY UNDER TERRITORIAL AND ECONOMIC ASPECTS

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Services of General (Economic) Interest constitute a crucial policy term in European Union. They are mentioned in the Charter of Fundamental Rights of the EU and in the EU Treaties since Rome 1957. They are described as being of vital importance for individuals and enterprises as a prerequisite of fully enjoying one's personal rights and freedom in social terms as well as full participation in the Single Market in economic terms. While there is a common policy understanding on EU level to enable universal provision of and fair access to Services of General Interest, there is no exhaustive definition and listing of which services are actually perceived as being "of general interest" on EU level but this is left to the EU Member States. In any case, basic services of mobility and communication as well as educational and health care services are recognized as Services of General Economic Interest, respectively Social Services of General Interest. Normatively, the political arena already decided for that Services of General Interest are of vital importance for the basic needs of society and economy. This contribution therefore wants to analyze Services of General Interest in the context of different types and performances of regions since the general aim of universal provision of Services of General Interest might be influenced and constraint by different regional circumstances. The above elaboration raises two questions. How are the different European regions equipped with Social Services of General Interest and Services of General Economic Interest? How do they interlink and in which way this correlates to territorial and regional economic indicators? By combining several indicators of Social Services of General Interest (like enrolment in non-compulsory lower and higher education, availability of hospitals, doctors and care facilities) and Services of General Economic Interest (like access to broadband and transport infrastructure, business supporting services) to standardized additive indexes, a regional typology of European NUTS2 regions will be developed. The resulting indexes and typology will be further correlated with significant context indicators representing the territoriality (urban, rural,...) and economy (GDP, disposable household income,...) of the regions. This analysis will allow discussing in how far Services of General Interest are better available in well-off regions and will allow discussing their role for strengthening the competitiveness of regions. The conclusion will be further supported by empirical findings on provision and contexts of Services of General Interest in selected representative European regions with different territorial and economic preconditions.

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A 'regional town' refers to a small or mid-sized town which has its own sphere of influence but which is not a regional centre or part of a larger urban region. Developed for political purposes, the concept has not yet become established in the terminology of geography and urban planning. About 50 Finnish regional towns have organized into a network whose main task is to protect the interests of the towns in relation to the State in particular. There is good reason for interest representation. Following the structural concentration of large urban regions, the role of regional towns in terms of the welfare state's functions is becoming more prominent. Their jobs and service provision form a core infrastructure for increasingly larger rural areas. A substantial proportion of Finns, about one million people, live in regional towns. In addition to having their interests looked after, regional towns need to be developed also physically. There are certain correspondences between built environments and the environment in which the towns operate; they are maintained and they develop in interaction with each other. The viability of operating environments is reflected in the physical town, and carefully planned built environment (in the broadest sense of the concept) can be used to provide support to the operating environments and promote viability and attractiveness of the whole town. Such construction does not aim for the wow effect, nor is it based on copying ready models or shapes. The starting point must be a deep understanding of the town's fundamental physical and socio cultural structures. Creative insight and skills are also needed to find the right form for construction and structures, whether we are dealing with the technical network, landscaping or a single profile building. These requirements acted as the foundation for the research called 'Back on the map'. The title refers to a renaissance of small towns, which, in the light of the current trend in the development of regional structures, may sound idealistic. Indeed, we can adopt one of two possible attitudes towards such trends: we can either put ourselves at their mercy and let market forces run their course, or we can seize them with both hands and try to convert them into local development potential. 'Back on the map' is distinctly an architect-led research and development project, which does not draw a clear-cut distinction between research and planning. The vocational orientation of the researchers also explains the development optimism characteristic of their work. Planning is essentially forward-looking in nature, and the aim is to outline directions. This means that, as a general rule, no situation is hopeless: a genuine planner always builds the best possible world out of the material at hand.

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JESSICA (Joint European Support for Sustainable Investment in City Areas) is generally focused on the promotion of sustainable urban development and growth in urban areas. This initiative responds to the needs to support urban transformation process by defining investment shortages and then addressing financial aid to integrated urban renewal and regeneration projects in European cities. Its essence consists in covering projects that offer socio-economic effects as well as ensure financial profitability. The JESSICA initiative is aimed at promoting urban regeneration projects that can be implemented within the framework of a refundable financing system. Areas which particularly need regeneration include mostly degraded parts of towns and cities, and post-military and post-industrial areas. The amount of financial resources available in current financial perspective is insufficient compared to the needs. Therefore this new financing source in form of cheap loans and credits may create additional opportunities especially for private investors interested in getting profits. In such a way financially and organizationally supported projects may succeed and stimulate long-term urban development and growth. The opportunity of implementing JESSICA was given to the European regions under the Article 44. of Council Regulation (EC) No. 1083/2006. In accordance with this article Managing Authorities have the option to employ their structural funds allocations as a part of an operational programme to finance expenditure through financial engineering instruments supporting urban development. These instruments are urban development funds invested in public private partnerships and

other projects included in an integrated plan for sustainable urban development. It means that all projects to be financed from the JESSICA-vehicle must be contained in such a plan [Jessica 2009]. Managing Authorities are responsible for the preparation of guidelines for preparing such plans. They are also obliged to lay down standards for documents required by them during an assessment process. The Wielkopolska region was the first region in Central Europe that signed Memorandum leading to the implementation of JESSICA. Regeneration activities were integrated in the Priority 4 Regeneration of problem areas of the Regional Operational Programme of Wielkopolska (the Priority is divided into two measures: 4.1 Regeneration of urban areas, and 4.2 Regeneration of degraded post-industrial and post-military areas). This priority is focused on strengthening those urban areas where there is concentration of problems or potential is improperly or inefficiently used. Financial support under this priority ought to include activities aimed at dealing with such problems as e.g. social exclusion, high crime rate, general deterioration of the quality of life in impoverished urban areas. It means that these activities should lead not only to the renewal of most degraded urban areas but also to the reinforcement of socio-economic structures. Therefore cities are obliged to specify dysfunctional city areas (areas characterised by high level of unemployment, poverty, difficult housing conditions, crime, environmental pollution, and low level of entrepreneurship and education). These dysfunctional city areas must be included in urban regenerations programmes prepared by cities which want to apply for financial assistance. Only those projects that envisage integrated solutions based on comprehensive approach towards economic, social and environment issues can be granted. The integrated approach mentioned above is coherent with the nature of regeneration process. Regeneration is defined as coordinated process, managed jointly by the authority of local government, local communities and other stakeholders, which is a part of development policy focused on achieving many goals [Rewitalizacja 2012]. Regeneration undertakings need to take into consideration spatial, social and economic dimension of urban areas. This process has to accept also responsibility for saving all participants from negative economic effects. Unfortunately the level of project implementation within the framework of JESSICA is not satisfactory in the Wielkopolska region. So far, only 7 projects have been implemented and the level of contracted resources accounts currently for ca. 30% of total allocation. Moreover, the scope of projects is very often limited to the infrastructural investments and does not respect comprehensively the nature of regenerations process as a whole. As a result of those actions implemented solutions on the one hand improve the urban infrastructure, but on the other hand, do not tackle social and spatial problems. In the paper the authors analyse the positive and negative results of projects implemented within the framework of JESSICA. Moreover the authors will try to answer the following research questions: Is the JESSICA initiative an effective and efficient instrument in the regeneration process of degraded urban areas? Is it possible to introduce more comprehensive instruments under the JESSICA initiative and the cohesion policy in order to use the integrated approach in the regeneration process of degraded urban areas? The answers to those questions will come from an empirical analysis. The research has practical implications for policy-makers and can be a valuable case-study also for other regions.

Gateway D

FROM ECONOMIC IMBALANCES TO ECONOMIC EMULATION: EXAMINING THE PROSPECTS OF A FUTURE PATH TOWARDS INTEGRATION DEEPENING

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European integration takes place progressively, through consecutive enlargements and active wealth redistribution among regions that associates to their initial per capita income levels. Through several, progressive advances in economic theory (e.g. Solow, 1957; Swan, 1963; Mundell, 1961; Haas, 1958; 1972; Romer, 1986; Aschauer, 1989; North, 1990; Best, 1991; Porter, 1998; Krugman and Obstfeld, 2000; Aghion and Howitt, 2009), the need was emphasized to implement policies targeting at capital and labour accumulation, infrastructure development, endogenous growth, free trade, monetary unification, institutional creation and change, competitiveness, entrepreneurship, business and SME support and sustainable development across the EU national regions. These policies were used to undertake a geographical redistribution process that generates both additional wealth and its accumulation across European space. Despite historical achievements, European integration remains rather unfinished and will start to take a more complete shape only when all nation-states at the continent will finally be incorporated at the same family, including the most geographically remote and Russia. Throughout this process, European populations and citizens should be more

entrusted and welcome to show their trust on it, participate and strengthen the inter-generational decisiveness needed to successfully unite their common geography and history, by deepening, at the same time, integration. Any hardship or harm caused should be realized by EU partners and avoided in other, future cases. The present study departs from testing EU competitiveness and unemployment disparities at the EU and Euro-zone level, using nominal unit labour costs and unemployment. These findings suggest a competitiveness gap between most integrated and new member states. Then, it focuses on a time series of economic variables (AMECO) for 34 European states, for the period 2000-2008 that coincides with Euro-zone's early implementation phase. Correlation coefficients for all these variables and their changes are calculated using three dependent variables: growth rates, growth levels measured in GDP and distance from Brussels (a proxy for peripherality). σ -convergence is tested indirectly, while beta convergence is calculated using the equation $GDP_{i,t,T} = \alpha - \log(GDP_{i,t}) + \varepsilon_{i,t}$, both for GDP and GDP rates. The results indicate the persistence of economic imbalances across Europe. The results reveal some sort of accumulation process to the benefit of EU growth centres. This ought to be expected to happen from neo-classical theory and numerous other theories on core-periphery imbalances (e.g. Myrdal, 1957; Kaldor 1970, Perroux, 1955; Christaller, 1933). It is in the presence of such economic imbalances that economic growth and development across the EU was achieved as a rather imbalanced process (as in Hirschman's (1958) perspective), sustained by a circular flow of demand and supply and the progressively formed linkages between central and peripheral states on the one hand side and advanced and less advanced on the other. This process benefited most of the EU member-states in times of growth. Its potential negative effects, now appearing in some advanced and integrated central states such as France or Belgium where dramatic falls in demand from peripheral, most integrated states brings the ceasing of several factories, reveal the other side of the same coin. While new member-states still have a long way to go in applying economic and competitiveness policies, the accumulation of state deficits and imbalances in most integrated, peripheral and less advanced states forces them to shift towards supply-side policies, while caution should be given in supporting and sustaining existing linkages. In most integrated states, where extended funds have already been allocated and substantial economic changes achieved, deepening integration should associate with boosting new production and supply. An arrangement needs to take place between existing and new production spaces that should be created in most integrated peripheral and less advanced states. The latter should be supported in their efforts to enter a new, take-off stage of development (Rostow, 1960) that will spread across most integrated advanced states through the existing circular flow mechanism, enhancing their clustering around them. A "big push" (Rosestein-Rodan, 1943) via large-scale, private sector investments in projects creating millions of new jobs, especially in SMEs, could bring a dynamic restoration of state deficits, the transmission of growth at the EU level, industrial regeneration, overall EU competitiveness and the progressive, low-risk transformation of production in EU centres (Combes et al., 2008). Removing the last existing competitiveness barriers will enhance capital flow (in the neoclassical prescription). Since trade is free, strategic support of EU infant industries may be required to boost EU growth and competitiveness (following new trade theory).

Gateway L

INDONESIAN ENTREPRENEURS IN THE UK: CHALLENGES AND OPPORTUNITIES AS DIASPORA TRANSNATIONAL ENTREPRENEURS

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Transnational Entrepreneurs have widely become one of the most interesting and growing subjects in the entrepreneurial topics. Because they migrate from one country to another while maintaining their businesses, Transnational Entrepreneurs have connections between their former country of origin and the country where they live and adopted the cultures and values. Indonesia as a G-20 member has become an important player in Asia, especially South East Asia. This research studies how Indonesian Transnational Entrepreneurs start and build their businesses in the UK and the key characteristics required to successfully start-up businesses. Furthermore, this research will investigate the challenges and opportunities faced by the Indonesian Entrepreneurs as Diaspora Transnational Entrepreneurs. Also, this research will reveal why these entrepreneurs chose the UK to build and expand their businesses. The Indonesian Transnational Entrepreneurs will share their stories during the process of starting up their businesses, how were they able to capture the chances, and their business journey from the trial stage into the registration.

INDUSTRIAL DEVELOPMENT BEYOND CORE REGIONS: 'LOCKED INTO' PATH EXTENSION?

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This paper argues that much of the theorizing of regional path dependent industrial development with its focus on historically contingent and place-specific factors departs, more or less consciously, from typical characteristics in well-developed core regions which hold dynamic industries or clusters, research universities, and so on. However, organisationally thin regions often have quite different characteristics and may experience other typical path dependent development. This fact points to a need for theoretical reflections and empirical investigations of industrial development paths in regions beyond the typical core regions, which is the aim of the paper. The empirical investigation includes a case study of path dependent industrial development in an organisationally thin region in Norway. The paper provides theoretical justifications for why thin regions are much less likely to achieve path renewal and path creation than core regions. Thin regions have by definition few resources to redeploy existing industries into new paths of development and to 'create' entrepreneurs with the competence to start off new paths. The empirical study demonstrates that firms have dealt with the drawbacks of being located in a thin region by building up deep and varied expertise inside firms and through links to national and international customers, experts and R&D-organisations. Developing crucial competence internally for production purpose and incremental improvements is probably a typical strategy by firms to cope with locational conditions in thin regions. The case-study also contends that thin regions often need external investments to avoid being 'locked into' path extension. Path renewal and creation in thin industrial milieus can hardly build entirely on scarce regional resources but demand inflow of technologies and knowledge. Thus, theorizing on industrial development in thin regions demands more attention on exogenous processes for such regions to achieve more than path extension.

FROM REGIONAL DEVELOPMENT AGENCIES TO LOCAL ENTERPRISE PARTNERSHIPS: LEARNING, INNOVATION AND ECONOMIC DEVELOPMENT IN THE WEST MIDLANDS' DIGITAL MEDIA INDUSTRIES

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The idea of building a knowledge-based economy in which learning and innovation are the drivers of economic growth continues to underpin economic development policy in Britain. From the late-1990s onwards this ambition was translated into economic development policies that drew on concepts from regional studies and economic geography in aiming to support clusters, innovative milieus, and triple helix relations. These 'territorial innovation models' (Moulaert and Sekia, 2003), as they have since become known, espoused the benefits of geographical proximity, institutional thickness, and the development of close relationships and knowledge exchange between firms and other organisations, forming a conceptual framework for the Regional Development Agencies (RDAs) that were established in England in 1999. More recently, however, both academics and policymakers have revised their assumptions about the kinds of knowledge processes that are important for economic development, the scale at which we should study knowledge interactions and innovation, the kinds of actors who should be involved, and what kind of policies are required to support economic growth. In England, the Coalition Government which came to power in 2010 has abolished RDAs and replaced them with smaller scale Local Enterprise Partnerships (LEPs). This paper explores the implications of this change in the governance of sub-national economic development policy through a case study of the city of Birmingham in the West Midlands region of England. It is based on research which began in Spring 2010, just before the election of the Coalition Government, and has examined the impact of the recession and the changes to economic development policy on SMEs in the creative sector. The findings are based on interviews with three distinct groups of actors involved in the development of creative industries: economic development policymakers at the regional and local scale; the owners and employees of small and medium sized firms (SMEs); and other individuals and organisations who act as intermediaries between firms and policymakers. We have focused in particular on the area of digital media, and at the centre of our analysis are three SMEs

developing products and services around website and 'app' development, TV and interactive games production, and digital design/branding. We have conducted interviews with the owners of each firm at six-month intervals over the last three years in order to chart the development of their businesses and the challenges they have faced in developing new products and services through a recession and dramatic changes in the policy landscape. We review the challenges and opportunities faced by the newly-established LEP in effectively supporting the creative industries and consider the wider implications of the shift from regional to local scale governance of economic development policy.

Gateway C

DIFFERENT PERIPHERIES – DIFFERENT LOCAL COMMUNITIES: COMPARISON OF LOCAL COMMUNITIES BEHAVIOR IN PERIPHERIES IN CZECHIA AND AUSTRIA

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From previous research projects on the polarisation of space, it is clear that, especially during the course of the 1990s, an intensification of regional differences in Czechia occurred. The process of territorial polarisation had a differing dynamic and intensity, both in terms of the scale level of regions as well as in the categorical variety of areas in Czechia, and it differed from the development of continuously progressing Austria, located along Europe's more exposed Danube axis. However, the primarily quantitative evaluations of the socio-economic state of development in regions, conducted up to this point, insufficiently address questions concerning the mechanisms involved in intensifying the peripheral nature at a variety of regional scale levels (especially changes in the intensity, orientation or nature of relationships between a hinterland and centre), qualitative changes to peripheries or the emergence of a period of post-industrial peripheries. The paper deals with the interpretation of societal driving forces of socio-spatial changes, especially the development of the polarization of space on example of peripheries in Czechia and Austria. Emphasis is placed on the process of the forming of as well as on the typology of the problems of peripheries and on the comparison of the development of peripheries in the context of differing political, socio-economic, and socio-cultural development. A questionnaire survey was conducted in 2012 (November/December) with the aim of assessing the model of behaviour of citizens of the model peripheral areas and its differentiation. Model areas representing typologically different peripheries in Czechia and Austria are compared. Respondents came from administrative centres in 6 model microregions (In Czechia, municipalities with an authorised council and judicial districts in Austria) representing different types of peripheries (3 in Czechia and 3 typologically similar in Austria). Model peripheral areas have been selected in order to allow for a comparison of different types of peripheries in Czechia and in Austria. The first type is represented by an area located in the outer periphery, in the Czech-Austrian borderland (Slavonice and Waidhofen an der Thaya). Second type is represented by an inner periphery (Bøeznice and Weyer). The third type includes Žlutice and Peuerbach, which lies between significant centres Passau and Linz, similarly to Žlutice between Prague and Karlovy Vary. The preliminary analysis demonstrated the expected differences between answers of respondents from Czechia and from Austria and divergent socio-culturally determined behavioural patterns of localised communities, which differ in terms of their spatial perception and the level of attachment of the inhabited area (e.g. Austrian respondents prefer shopping at local producers, pay attention to waste recycling and protection of the environment, exhibit higher migratory stability, refer to their settlement as active and cared for). In the model micro-regions of Czechia, respondents usually commute to larger centres to shop. They tend to support local producers, but their offer is often not sufficient. Even though the inhabitants often refer to their settlements as traditional, passive, sometimes backward, the population stability is relatively high (the majority shows no desire to move elsewhere, and if they do, the chief motivation is the lack of job opportunities). The analysis of local communities behavior in peripheries during the industrial and post-industrial eras has advanced the understanding of the process of the polarization of space and thus should be considered while planning the future development of peripheries.

THE DEMAND AND SUPPLY OF SPECIALISTS WITH THE HIGHER EDUCATION IN LATVIA – REGIONAL ASPECTS

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During the period of the improvement of economic situation in Latvia the demand for labour force increases step by step. However, employment will not grow up fast because the development in the future will base mainly on the increase of productivity. At the same time specialists with the higher education will be in-demand as one of the key factors in this process and the labour market will be restructured to more presentable and qualified workplaces. The Demand for specialists with the higher education in 2012 was about 288 thousand people, but the supply – about 307 thousand, the same indicators in 2020 are planned – 336 thousand and 359 thousand, in 2030 – 393 thousand and 470 thousand (data of Ministry of Economics of Latvia). If the higher education system and study programmes in Latvia stay without any changes, the major increase of the supply of the specialists will be in social and commercial sciences, jurisprudence. Too few young people are studying in technologies of production, engineering and mathematics. The Situation in five planning regions of Latvia is quite different – the main part of students and young specialists are in Riga (capital of Latvia) but the demand for them is undetermined in the regions. Agencies of Regional Development Planning and municipalities of the towns and counties, as often as not, don't know about the demand for specialists in the state organizations and in business sector. So it is difficult for the Ministry of Education, universities and high schools to plan the supply of specialists, but the labour market is not able to regulate this process itself to satisfy the desires and needs of the society, business and individuals. To preclude the disproportions of demand and supply of the labour force in the regions the responsible institutions – ministries, agencies and other state representatives have to work, study and plan the situation together with the scientists and local "players" – municipalities and businesses. Of course, there are many important factors of macro and micro economics that influence the labour market, but it is very important to involve the business people through in-depth research and serious analysis of the situation. The enterprises with high innovative technologies will be the best work places for the people with higher education and they will be the right persons to create such companies, especially in the regions, to ensure well-balanced and sustainable development of the regions. Education and information about the demand and supply of the labour force in Latvia regions request special researches with participation of all interested sides to find the most available and necessary decisions.

FROM REGIONALISM TO LOCALISM IN THE UK: WHAT DOES THE FUTURE HOLD FOR NORTHUMBERLAND?

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The dismantling of the regional architecture by the Coalition government has met with varying degrees of acceptance and resignation throughout UK. The old RDAs have been replaced by LEPs, with two LEPs for the North East of England. But as the old 'hard' structures have disappeared, so have many of their associated 'soft' networks and partnerships. With the dissolution of the infrastructure of regionalism have also gone associated networks and partnerships, such as NERIP, the Northern Way and the Regional Select Committee (Shaw, 234, 2012). The Localism Act (2011) is said to be creating new rights, powers and opportunities for communities as well as assisting remote rural areas with broadband provision. Some of the previous networks, such as NRN, CAN and LEADER have survived, but with much reduced resources. New rural networks have emerged, such as the NE LEP-sponsored NEFRAN. But while certain rural interests within the LEP geographies may well benefit, it is not yet clear how and what those on the rural periphery will gain. This leaves a rural policy network vacuum for many rural areas such as Northumberland.

RURAL TRANQUILLITY AS A THEORETICAL CONCEPT AND A DEVELOPMENT TOOL

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People's aesthetic preferences for natural elements is a well-known phenomenon. Landscapes with open space and water are usually preferred but also cultural landscapes and forests are highly valued. Rural areas should be able to use this interest also to benefit the people living in the countryside. Production of enabling places could create permanent jobs. Wellness tourism is, in many ways, one of the most ancient forms of tourism. Green care is modern example. Both are responses that focus on the positive sides of rural tranquillity. Silence can also mean that one is detached from others. Lacking a meaningful relation to others may not be nice. On the other hand, sound can be used as a disciplinary device. Being in the realm of a sound is to be obedient to that sound. Urban life can be very stressful. Walking through a forest or some other green area can help to reduce stress. Rural areas offer opportunities for relaxation and restoration. However, relatively little is known about what it is that makes nature and rural areas restorative. Evolutionary assumptions can be found behind biophilia hypothesis, attention restoration theory, stress recovery theory, savannah theory, prospect-refuge theory and fractal geometry hypothesis. Despite the popularity of evolutionary approaches some researchers are very critical toward the way that evolutionary psychology develops its theories. I shortly discuss the pros and cons of evolutionary theories. There are many theoretical perspectives (for example therapeutic landscapes) which can be useful in one's attempt to define the concept tranquil. Tranquillity has different meanings for different stakeholder groups and individuals. One cannot simply rely on expert's opinion or simple decibel based measurements. I present a conceptual framework which helps to understand the multitude of theoretical approaches. Tranquillity is poorly understood as a rural development concept. One reason for this is that many previous attempts to use the concept have focused on factors that detract from tranquillity. Noise can cause stress but regulating the sources of disturbances nationally may not be the most efficient way to proceed. Saving and protecting tranquil places is important but conservation is not enough. When one looks at noise levels and draws areas in maps one runs the risk of forgetting how to promote rural tranquility as a vital asset. Governing soundscapes as common pool resources (CPR) may be a right way to proceed. Administrators define rural as a particular kind of socio-geographic place and space used by multiple interest groups. In common-pool resources exclusion of users is difficult or costly, and their use by one user lowers benefit to other users. CPR is applicable to land use and resource use decisions but also soundscapes can be theorized this way.

TRAVELLING PLANNING IDEAS, TRANSNATIONAL LEARNING AND SITUATED PRACTICES IN URBAN GROWTH MANAGEMENT: WHAT HAPPENED WHEN OREGON'S FAMOUS GROWTH BOUNDARY TRAVELLED TO FINLAND?

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It has been long acknowledged in geography and social sciences that geography matters when implementing policies in different contexts. Different ideas take different forms in different places. Also in the academic discipline of planning there has been much discussion about the travelling planning ideas and about the role of place and situated practices in implementing these ideas. It is asked, whether planning practices are always context specific and tied to situated learning, or whether there is something in these travelling ideas that can be abstracted and generalized for the use of wider international audience? This article explores these questions by reviewing the state-level growth management approaches in Oregon and Finland and by studying, how has Oregon's well-known planning approach, Urban Growth Boundary (UGB), been applied into Finnish planning. In fact, Oregon's approach to growth management has been considered as a 'best practice' in Finland that could be implemented at diverse planning scales. The aim of this article is to explore the ways in which the experiences in Oregon in using UGBs to guide urban development can be considered context dependent, and which experiences have been informative and 'universally useful' in implementing this type of planning approach in Finland. Furthermore, it is discussed whether the authorities promoting the 'Finnish UGB' recognize the contextual specificities related to the concept's implementation. Materials and methods consist

of planning research and policy documents from both case areas, the Finnish (planning) materials (presentations, articles, strategies etc.) that have references to Oregon's UGBs, and interviews of Finnish planners and regional development authorities in the areas where the UGB has been discussed in Finland. All the literary materials are analyzed with the principles of content analysis. The article contributes to both planning theory and practice as it explores the applicability of one particular planning idea into another national planning context. The empirical case study in Finland provides valuable information about the meanings of place in implementing external planning ideas, as well as about the roles of local actors in importing these ideas. At best, travelling planning ideas can trigger new innovative development through transnational learning. However, careless planting of external ideas without considering contextual specificities may even be harmful and generate distrust towards the planning system.

Gateway D

DEVELOPMENT OF REGIONS IN LATVIA - GROWTH FACTORS, POLICY ALTERNATIVES, SYNTHESIZED DEVELOPMENT MODEL

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Theories about regional economic development form a basis for national and regional development policies. In order to elaborate an effective development policy, achievements, successes and mistakes of policies implemented in previous years should be evaluated. Based on current studies and conclusions of regional science, in the result of a study a matrix approach was developed forming a set of tools for such evaluation. Question of the study – which (public administration implemented) regional economic development model could facilitate economic development of regions of Latvia? The aim of the study is by exploring impact factors of regional economic development and by exploring public policy alternatives to elaborate a model for evaluation and planning of policies of regional economic development. A methodology of the study envisaged elaboration of the study in ten logically sequential stages. For implementation of the study there were used monographic, systematic analysis, content analysis, comparative, statistical analysis, secondary data and information analysis, sociological survey, case studies, meta-analysis, expert survey method, Delphi method and cabinet study. Scientific novelty of the paper: (1) The most significant macroeconomic factors advancing and preventing development of the Baltic state regions was identified; (2) A Synthesized model of regional economic development; (3) Using the Synthesized model of regional economic development, the matrix approach for evaluation of policies of regional economic development was elaborated. The results of the study affirm that in order to evaluate implemented policies of regional economic development and to identify necessary changes the matrix approach based on the Synthesized model of regional economic development elaborated by the author is applicable as analytical tool.

Gateway QII

DOES PUBLIC R&D SUBSIDY AFFECT FIRM PRODUCTIVITY? CONFLICTING EVIDENCE FROM FINNISH REGIONS

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This paper examines if public R&D subsidy has a causal effect on firm productivity. The analysis focuses on private SMEs which received a R&D subsidy from Finnish Funding Agency for Technology and Innovation (Tekes) in 2000–2010. Tekes plays an important role in Finland as it carries out innovation policy which goals are to support firm renewal and productivity. We expand the literature on R&D subsidy effect on firm productivity in several fronts. First, unique data set allows us to study productivity effect of subsidy over five year period after the subsidy year, while many previous studies have had only short periods of data. Second, our data set includes high amount of matching variables from different register based sources, including proxy variables for firm R&D employees, which should enable us to minimise the selection problem concerning firm specific R&D. Third, our data set enables us to study regional differences in detailed, which might reveal why the effect is different by firm location. As subsidies are not randomly distributed, firm's observed and

unobserved characteristics correlate with the probability receiving the subsidy. Our empirical approach utilises a combined matching and difference-in-differences method to control selection to the subsidy program. This method is proven to be relatively robust approach to selection problem. Approach is based on assumption that the selection into the treatment is based on observed characteristics. As we combine matching with difference-in-differences approach we can also control unobserved time invariant effects (e.g. industry specific shocks). This requires that firms which received a subsidy had a similar trend than other firms in the control group. We also perform alternative matching strategies and sample trimmings for robustness. Results show that there is a significant negative effect on productivity growth year after the subsidy, but no effect is found over two to five years after the subsidy. Estimations were also repeated for smaller firm groups. There was no effect found on firms with 10-49 employees while significant and negative effect was found for firms with 50-249 employees. Results differed also depending on firm location. The productivity growth of the firms which are located in the regional centres is affected positively by the R&D subsidy five years after the subsidy year. On a contrary, empirical results indicate that R&D subsidies have a large and long lasting negative effect on firm productivity growth if the firm is located outside the regional centre. We also note that R&D subsidies which are partly funded by European Regional Development Fund have larger negative effect on productivity compared to other Tekes customers or when compared to all other firms. Nevertheless, this does not explain why R&D subsidies have such a deep negative effect outside the regional centres. This finding is disturbing and needs more research.

Gateway QIV

GLOBAL COMPETITIVE FIRMS IN “THIN REGIONS”: THE IMPORTANCE OF UNCOMMON KNOWLEDGE USE

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The paper departs from the observation of two global competitive manufacturing firms in a rather peripheral and organizationally thin region in Norway and asks how firms in such a region can achieve global competitiveness. The answer is found in how the firms are able to utilize knowledge in uncommon ways compared to competitors. The uncommon knowledge use rests on specific organizational traits in the firms, such as broad participation in innovation processes, long term on-the-job training and learning and the use of experience based competence in innovation projects, and also on links to national and global knowledge sources. Such distinct organizational mechanism explain parts of the fact that Norwegian industry is less hit by the current economic crises than the industry in most other countries.

Gateway F

FROM LOCAL EXPERIENCE TO GLOBAL EXCELLENCE? CROSSING THE BOUNDARIES OF SITUATIONAL KNOWLEDGE

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The paper focuses on two development processes that build on highly particular local contexts in Tampere metropolitan area, southern Finland. Due to their situational character they are hard to imitate despite their remarkable potential for learning and subsequent implementation in related processes in other institutional environments. The first of the two cases comprises of Demola, an open innovation and work-integrated learning environment located in the innermost part of the old industrial core of Tampere. The second case is about large-scale re-structuring of a central business district of a mid-sized municipality in the metropolitan area. Both of these processes can be seen as sets of specialised but nested activities for governance of locally important transformations with more general implications for industrial restructuring and social innovations. What also links these processes is that they both are carried out by committed teams of visionary minds utilising collective intelligence within particular - and particularly creative - communities. With these characteristics the processes are good examples of the much practiced user-, stakeholder- or community-

driven forms of creating and managing the often complex knowledge bases exploited in contemporary innovation and de-velopment policies. There are good grounds for resorting to such modes of action. An approach based on a closely-knit community of actors with their knowledge and understanding of the locally peculiar contexts may be an excellent way for achieving highly accurate, appli-cable and meaningful results. Yet, it must inevitably stand a risk of a strong situational bias. For all irrefutable relevance and achievement, what has been reached within - and even aided by - the locally specific contexts may remain confined by system boundaries that these con-texts even have helped to emerge and consolidate. While this problem is clearly rooted in the local peculiarities, it also reflects an important aspect of learning from practical experiences and the body of knowledge that these experiences bring. The new body (and possible new forms) of knowledge needs to be incorporated in a framework made of existing, or 'ready' sets of ideas concerning the scope and appropriateness of the acknowledged or even hege-monic concepts of development. This paper suggests that a particular co-regulation or co-designing process can be seen as a step from the visionary teams' situational knowledge towards more universal or global practices. However, it is highly improbable that this transfer would be automatic - or 'evidence-led' in a crude way, driven by the good name earned by individual processes, teams or even the eventual platforms facilitating their success and repute. Instead, it is of vital importance that relevant institutional actors, the key gatekeepers to the formation of the universal practices, can be assisted or even primed to identify and acknowledge the applicable lessons learnt through the particular local experiences. In some cases, as the paper maintains, it may be worthwhile to yield this identification even to the characteristic attributes of the actual sites and spatial contexts within which the processes take place.

Gateway QVI

EXAMINING REGIONAL CLUSTERS DEVELOPMENT HISTORICALLY: A CRISIS MANAGEMENT APPROACH

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This paper presents empirical findings from an ongoing research study that examines issues of regional economic development and the role of clusters. The research context is set within the industrial manufacturing heartland of UK's West Midlands, in the Coventry and Warwickshire region, which is the home of the country's automotive industry among others. This paper draws from emergent empirical data as well as recent work by the authors (under review) to examine the emergence of cluster pools in the local area and suggests that some of the causal effects can be attributable to the responsive reaction of the local and regional economy to crises and their management. In the process, the paper draws from literature streams in evolutionary cluster theory and builds on extant frameworks in crisis management. Clusters literature often privileges descriptions of cluster properties and their influence on innovation and growth but overlooks causal explanations of cluster formation (Hervas-Oliver 2011). Innovation is often seen as the driver for increased formal and informal exchanges among clusters (Menzel and Fornahl 2007) fostering both collaboration and competition (Porter 2001). Evidence however also suggests that clusters are not always particularly competitive or innovative (Simmie 2006). Instead of attributing innovation as a causal factor for clusters, clustering can be seen as an effect of innovation, caused by firms developing linkages to resources beyond immediate local and regional agglomeration. Adopting a long-term perspective on clusters and lifecycles, evolutionary theory literature (Audretsch and Feldman 1996, Menzel and Fornahl 2007) suggests that emerging clusters are important for their role in promoting learning and synergies, and that they develop systemic qualities over time and maturity. Much of this literature however is constricted by a relatively short time window and an observational lens within which the lifecycles of clusters and evolution through firms or inter-organizational relationships are examined. A limited stream of literature examines the specific impact of economic recession that may give rise to opportunities and innovation (Filippetti and Archibugi 2010) especially among firms who handle turbulent economic environments through inter-firm collaboration (Barringer and Harrison 2000, Child and Faulkner 2005, Dyer and Singh 1998, Haagedorn 1993, OECD 2009) or within specific industrial and sectoral contexts (Huttenen et al 2006, Perez 2002, 2009). Wider level crises and their impact on local economy resilience are rarely addressed. Similarly an extensive body of crisis management frameworks (Crandall, McCartney and Ziemnowicz 1999, Fink 1996, Marcus and Goodman 1991, Myers 1993, Pearson and Mitroff 1993, Pearson and Clair 1998, Richardson 1994, Smith 1990, Spillan and Crandall 2002) often deal with organizational responses

to crises, their impact on threatened stakeholder expectations (Coombs 2006, 2007), and the role of organizational culture in effectively dealing with crises (Stead and Smallman 1999). Crisis theories privilege broad economic explanations while understating political and social crises (O'Connor 1987, Tickell and Peck 1992). Moving beyond firm-level explanations into the realm of local and regional economies, there is scope for examining systemic crises (Hay 1996) and examining the interrelated influences of state intervention (Harvey 1999) and organic responses and reactions to those as a form of crisis displacement (Habermas 1976). However crisis as an analytical term while examining issues of the local economy is used with less precision (Goodwin and Painter 1996, Walker 1995) and is often limited to examining periodic crises of various intensity and duration (Jones and Ward 2002), leading to what Offe (1984) calls the 'crisis of crisis-management'. Often within the scope of local and regional economies we find crises resulting from ineffectual, contradictory, and sometimes pernicious government initiatives which in turn are mitigated by the introduction of further state-led interventions which precipitate even greater turbulence. Our paper draws from a longitudinal history of economic clusters in the Coventry and Warwickshire region stretching back to nearly 1700 years, and suggests that the evolutionary history of clusters in the region and their emergence are a cyclical reconstitution and rejuvenation of existing skills available within the local economy. We further suggest that these initiatives are organic, prescient, and are a response and reaction to crises, both systemic and structural, caused over time, and often occurring independent of state-level interventions. The city and the local region itself and an examination of its economic history is a study in crises and repetitive crisis response powered by indigenous skills, enterprise, innovation, and resilience which has enabled the local economy to adapt, innovate, and capitalise from latent skills to create new clusters and industries time and time again. The paper also suggests that while this is a heartening indication of the resilience of the local economy, the present crisis engineered by predominantly state-led interventions is deeply troubling and calls into question the ability of the city and local region to continuously rise to the challenge and respond accordingly.

Gateway A

INNOVATIVE CLUSTERS AND GLOBALIZATION: A LITERATURE STUDY

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In the research literature, regional economic clusters are often assumed to be seedbeds of innovation for their firms. Recently much interest has been put into external connections of clusters to bring in new knowledge and ideas. Globalization poses new challenges for clusters as, for example, innovation networks are structured more often than before between several clusters, sometimes distant to each other, instead of being primarily internal to a single cluster. These dynamics cause changes not only in firms of a cluster but also in a cluster itself. Cluster transformation may take many forms and may take place through many processes such as upgrading, diversification or lock-in. The growing research literature on regional economic clusters increasingly stresses new knowledge creation and innovations as mechanisms that may lead to cluster transformation. Another important tendency is to conceive clusters in a wider context of globalization but whereas this was earlier as a passing notion it has become an explicit object of many clusters studies recently. In the paper, the key question is how clusters transform through innovation activities in the context of globalization. Answers to this question are sought through a literature study deploying first of all the Web of Knowledge to find out the articles that have had the biggest impact in this emerging subfield of cluster studies. From the long list of resulting articles, the most cited 20 key articles were chosen for a more elaborate analysis. We found, among other things, that there is a considerable variation among the articles in cluster conceptualization (relations between actors, specialization vs. diversification etc.); cluster methodology; how globalization is been conceived conceptually; and cluster's role vis-à-vis other geographical levels. There has recently been a shift from conceiving a cluster as a 'fortress in the global battle for competitiveness' towards cluster as a 'node within global networks' (Amin & Thrift 1992); i.e. conceiving global interaction as a necessity for cluster transformation and adaptation. Another shift has occurred from a notion of local spillovers to detailed analyses of knowledge creation and use and to spatially multilevel knowledge dynamics. Simultaneously, it has been noted that clusters have very heterogeneous capabilities to absorb external knowledge. Although the role of external connections were found very important among the key articles, it was also sometimes concluded that not all external connections are significant; instead, for example, there are trade-offs of cognitive proximity and distance. Lastly, it is worth noticing that not only 'global pipelines', topical recently,

but many other, more open type of platforms (research and exchange programs, innovation communities etc.) have a role to play for clusters in globalization.

Gateway QI

SPATIAL PATTERNS OF URBAN UNSAFETY: AN ANALYSIS OF THE INDIVIDUAL AND AREA LEVEL DETERMINANTS OF FEELINGS OF UNSAFETY IN THE HELSINKI METROPOLITAN AREA

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It has been recognised for a long time that security is one the key components of well-being. The security of the residential area can be approached empirically from a statistical point of view by means of crime statistics, but there is also a more subjective quantitative approach that uses standard survey questions to tap or measure the lived experience of unsafety. The need for a survey based approach stems from the fact that the correlation between the crime statistics and survey findings is far from perfect. In fact, it seems that feelings of unsafety constitute a partly independent domain of research. The relevance of studying feelings of unsafety can be derived from the idea that feelings are real as such to the one who is experiencing them. Frequent fear that is directed to the area where one lives is understandably something that reduces the overall quality of life or well-being. In addition, this lived reality has sometimes very concrete consequences. For example, living in an area that one deems unsafe is likely to diminish the willingness to use the space as a context of sociability and health promoting exercising, e.g. walking or jogging. This way the domain of experience and feelings may become a central causal factor that impacts on other aspects of well-being. Even though one might feel tempted to conceptualise feelings of unsafety as a private psychic phenomenon, empirical observations support a more socio-geographical interpretation. For sure, the individual characteristics, such as sex and age do matter. For example, it has been found out that women tend to report higher levels of unsafety. However, even after we control for the obvious individual factors, there remain clear spatial differences in the feelings of unsafety. The spatial distribution of urban safety seems to be uneven. In this study we aim to elaborate both the individual and area level determinants of the lived unsafety in the context of Helsinki Metropolitan Area by using a recent large survey dataset (n = 9,600; response rate = 36 %) that covers not only individual survey responses but a large amount of both individual and area level information.

Gateway A

HOW ENTREPRENEURS MOBILIZE RESOURCES? TOWARDS AN INSTITUTIONAL GEOGRAPHY OF FIRM EMERGENCE

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Building on insights from the economic geography, management and entrepreneurship literature, the paper develops an institutional geography approach to firm emergence, where the entrepreneurial resource mobilization is put at a centre stage. In the regional studies literature, it tends to be taken for granted that firms are embedded in their regional institutional environments on the one hand, and that innovative entrepreneurial activities contribute to regional economic development on the other. We argue that the notions of economic agency, entrepreneurship and institutional change are central in explaining how firms coevolve with their regions, but are still undertheorised phenomena in regional studies. We offer in this paper a conceptual analysis of a key aspect of entrepreneurship – resource mobilization – that we find pivotal to understand entrepreneurial and institutional dynamics of regional development. We analyse entrepreneurial and institutional processes in regions by elaborating on the capabilities and strategies that make it possible for entrepreneurs and firms to co-create their environments and thus help them to mobilize the resources needed for their survival and growth. We particularly argue that the entrepreneurial skills and strategies are most importantly necessary in the pre-emergent stage of firms where nascent entrepreneurs need resources from

their environments that are not yet in existence or are not yet in existence in the form that supports firm emergence and development. As such, the paper focuses especially on two phases identified as vital turning points for entrepreneurial success in the region, and where notable changes in the 'firm-environment' relationship can occur : (1) nascent firm stage ('preparing firm') and (2) early firm stage ('developing young firm'). We identify a range of essential entrepreneurial acts of resource mobilization, in internal and external loci of resources, and uncover how the quality and types of resource mobilisation skills and strategies vary across and within the two firm emergence stages. We particularly analyse the resource mobilizations as the ways in which entrepreneurs enact with and facilitate the introduction of novelty in their external institutional environments at different spatial scales, and participate in re-shaping those contexts through their increasing 'power' over resources. Subsequently, the paper contributes to the knowledge in regional studies by providing a first theoretical outline of the nature of the different entrepreneurial competences needed to interact with institutional environments to successfully mobilize resources in the nascent firm and early firm stage. We conclude that developing an interdisciplinary approach or, as we propose, an institutional geography approach to resource mobilisation and firm emergence helps us better understanding how knowledge and innovation is co-created in different regional contexts.

Gateway Q/II

ROOTING REGIONAL PRACTICE - REINTERPRETING THE TWIN COORDINATES OF SPACE AND TIME

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In his seminal study on the origins and the cultural dynamics of the regional mosaic of Europe, the French historian and demographer Emmanuel Todd (1990) deplores the apparent neglect of space in historical studies. To fully grasp the dynamics of the European continent, he maintains, we need to understand how regional variations in politics, culture and economy have interplayed through time to offer us what we live today. In presenting his argument, Todd, as other classical advocates of the study of variations and conflicts in the European cultural and economic realm, i.e. Gert Hofstede and Stein Rokkan, point to the importance of studying long time spans. History can seldom be understood by looking at a few decades. Instead, the key to reading the present is found in tracing its roots back, sometimes all the way back to antiquity. Linking this perspective to some present debates on typologies of economic practice, i.e. as found in the literature on innovation (DUI/STI) and on modes of coordinating economic practice (Variety of Capitalism), one is struck by the need for economists and geographers to cast their theories of spatial variations in a more historically elaborated vein. Thus, the need for geography in history is matched by a parallel need for history in geography. This argument seems obvious, but is more complicated than it appears. For in tracing economic practice back in time, one is inevitably led to a rediscovery of the role of culture in shaping economic practice. This means that the cultural forms, which in much of the economic typology literature is given the status of independent variable, turns into objects of study themselves. Economic geographers and regional economists may from their (lack of) academic training feel somewhat awkward faced with this cultural turn. But there is no way to avoid the challenge if the aim of doing research is to present better explanations and understanding of why we behave as we do. The century-old Weberian position that economy should be classified as a cultural science, thus seems even more relevant today than when it was first stated.

Gateway B

RECOGNISING TIES BETWEEN URBAN PLANNING AND LOCAL INNOVATION POLICY: CASE SEINÄJOKI, FINLAND

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Ari Hynynen, University of Tampere, FINLAND

The urbanisation of Finland has taken place quite recently, namely after the Second World War (WWII). Correspondingly, the Finnish cities are quite small in international terms. From these points of departure, it is quite understandable that the tradition of Finnish urban planning is quite thin. However, the urban planning is

strengthening and becoming increasingly important, as there is increasing policy interest towards cities and city-regions in Finland. The Finnish history is also a kind of success story in terms of knowledge-based development. Since the WWII the structure of the Finnish economy has changed in a very profound way: the agrarian country was turned into industrialised country in very short period of time. Since the great recession in the beginning of 1990s, decisive actions have been taken both by the politicians and policy-makers to make the Finnish economy more knowledge-intensive, service-oriented and innovative. This strategy has been quite successful until now, as many of the knowledge-intensive industries (e.g. ICT cluster) are facing quite drastic restructuration. It is partly due to the innovation policy and other lines of policies, whether this restructuration can be turned into 'creative destruction', as Joseph Schumpeter put it. Knowledge-based development policies are usually executed by big cities. According to standard wisdom and mindset, innovations require strong institutional thickness including education and research institutions, technology incubators and respective firms. However, during the last decade the meaning of skilled and creative individuals has gathered increasing attention. This notion has led to vivid discussions on urban qualities and amenities (physical, social or symbolic). In this article, we put an effort to analyse how a middle-sized Finnish town - Seinäjoki with its 59.000 inhabitants - can launch a strategy for developing itself as a bundle of different innovation environments (Kolehmainen & Sotarauta 2008; see also Andersen & al 2010.) Actually, this kind of development is already going on there, and it is manifested in policies addressing both to institutional and physical dimensions, deliberately striving to integrate these two. They aim at reinforcing local knowledge-based economy by building it into physical spaces, and on the other hand, they try to vitalise somewhat flat urbanism with the stimulating influence of new economic branches. In this paper, the ties between urban planning and local innovation are discussed by using Seinäjoki as an example case. The basic argument is that these two strands of local development could interact and stimulate each other in more systematic and conscious way in the future.

Gateway A

KNOWLEDGE TRANSFER WITHIN A REGIONAL ECONOMY: CHALLENGES FOR UKRAINE

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The importance of improving knowledge transfer between public research institutions and other stakeholders, including industry and civil society organisations is extremely significant for Ukraine and is one of its key areas for action. The current research attempts to gain some new insights into processes and potential benefits of knowledge transfer for Ukraine. We explore how to succeed in knowledge transfer and to become more competitive, driven by the need to improve transfer of systematic knowledge for the manufacture of product and service provisions in newly entered market. Knowledge transfer within a regional economy is an iterative and complex process involving many different actors. The local economic area is crucial for understanding competition and industrial performance, as there seems to be a clear link between the performance of subsidiaries and the conditions prevailing in their environment. The linkage between competitive advantage and firm's success is mutually dependent. Observation suggests that companies can be characterized as clusters of complementary activities such as R&D, marketing, manufacturing and distribution. The involvement of business in the governance of research institutions can help to orient research and education activities towards the needs of society, bring expertise to support knowledge transfer activities, and signal willingness to introduce innovation-oriented approaches in all activities. New business ventures stemming from universities or public research organisations have attracted increasing amounts of interest in innovation policy over the last years. Regions that are places for public research facilities hope that spin-offs will strengthen the local economy and increase innovation activities in the region. Spin-offs that stay in the region may benefit from linkages to and co-operation with their incubator. At the same time, they may build up links to other regional firms and thus contribute to spillover of new knowledge into the regional economy. Regional knowledge transfer from public research to the regional economy through spin-offs is assumed to take place if the spin-off locates in the incubator's region. Because knowledge transfers are mainly person-embodied, the ability to put information to productive use requires an extensive and interactive learning process supported by a high level of skills accumulated through training and experience, and strong networks between researchers, all of which support the development of new capabilities on the part of firms and other institutions in the region.

Successful learning through interaction involves a capacity for localized learning within firms, and between firms and supporting institutions in a region. In this sense, the capacity for learning of firms in a region – the ability to develop and assess both person-embodied, tacit knowledge, and easily accessible and reproducible knowledge - is a significant variable in successful innovation. One of the most important measures aimed at developing a process of the knowledge transfer in Ukraine was creation of a Science Park under the National Technical University of Ukraine “Kyiv Polytechnic Institute”, along with its seventeen daughter parks in different regions of Ukraine. The Science Park was organized in a form of scientific and research process organization which has to promote an effective commercialization of high-tech developments. The main project objective is to organize a system of interaction between business, university, Science Park and other stakeholders. Nevertheless, the results of functioning of the Science Park and its regional branches are very modest. Although this can be explained by the deep economic crisis, however economic growth in 2010-2012 has not led to substantial growth of activities for science parks in Ukraine. Another issue which is essential for successful knowledge transfer in Ukraine is a network between researchers and economic actors. Such networks have three main functions: to convey relevant information in a timely and selective manner; to provide an access to relevant resources; and to embed transactions of information and resources in relations of trust that reduce the risks associated with these transactions. The role played by networks in the process of knowledge transfer indicates that firms and industries link with the science base in many informal ways within a given geographic region. Networks underpin and intertwine with all phases of knowledge transfer and can be considered enablers as well as transfer channels.

Gateway F

LEARNING IN PILOT PROGRAMS OF RURAL DEVELOPMENT AND ITS CONTRIBUTION FOR APPROPRIATE POLICIES IN RURAL AREAS - THE CASE OF “LANDZUKUNFT”

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Peripheral areas are often strongly affected by demographic change and economic decline. The support of these regions' development by appropriate policies is an important political aim. In Germany, pilot programs have recently frequently been implemented in order to support the development of such policies and to try them out. Additionally, these pilot programs shall enable regions to address their specific problems. There is a tension between these two aims, as the creation of region specific solutions might contradict the aim of learning from experience to support the advancement of regular policy measures. In this last view, pilot measures are successful if they initiate learn processes with transferable results. In this context learning is commonly defined as a process that contributes to positive changes in rural regions and supports innovations (Einig 2011). Nevertheless, this definition tends to neglect the potential contribution of failures and negative experiences to learning processes. The paper's central question therefore is whether pilot projects are only successful if they enable learning from positive experiences respectively whether such an understanding of learning sufficiently captures the outcome of pilot projects. To answer this question this paper starts out with a discussion of different learning concepts. The paper argues that a concept of learning, which one-sidedly refers to positive experiences and innovations is not comprehensive enough. Instead, it is proposed that a concept of learning that focuses on institutional changes is more appropriate to understand the results of pilot programs and their benefit to other policies. In this view, learning finds its expression in the evolutionary change of institutions. Institutions, e.g. formal and informal rules, simultaneously provide the structuring frame for the learning process. The second, empirical part of the paper applies this theoretical frame to the analysis of interviews and documents that were collected in the context of the pilot program „LandZukunft“. This analysis shall enhance the characterisation of concrete learning processes in the context of the development and implementation of new policies. Thereby it is expected to contribute to the advancement of our understanding of policy learning.

INTEGRATING NEW ACTORS AND IDEAS IN REGIONAL GOVERNANCE TO BREAK OUT OF PATH DEPENDENCIES IN LAGGING REGIONS? CASE STUDIES FROM RURAL GERMANY

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Economic and social disparities characterise most European countries. The divide is not simply between urban and rural regions: on the one side some urban agglomerations like old industrial areas are lagging, and on the other side innovative rural areas are competitive and offer a high level of quality of life. In spite of regional policy programmes for decades and huge amounts of fiscal transfers, these spatial structures seem to be quite stable. It often has been argued that these path dependencies are enforced by strong advocates of old industries and interest groups benefiting from conservative structures and ineffective strategies. Because of this lock-in situation, regional governance initiatives can support declining industries, prevent from renewing resources and hinder seizing emerging opportunities. Against this background, the research question the paper addresses is: How external actors can affect governance structures and contribute to the integration of new ideas in regional strategies? In the multi-level governance regime, external actors can involve those of other scales as well as actors and groups not integrated in the prevailing network. To answer the question, the paper presents empirical findings from the on-going evaluation of a pilot programme in Germany. The Federal Ministry of Food, Agriculture and Consumer Protection in charge of rural development has initiated the programme in 2011 to motivate four peripheral rural districts to experiment with new strategies and ideas developing their region. A starting phase, a competitive selection, organisational requirements as well as funding guidelines are used to influence regional development initiatives. Regional actors encounter this institutional framework and attempt to use the offered resources in order to achieve their goals. The regional actors were invited to enhance capacities and to advance strategies based on existing structures and concepts. The empirical data were collected using semi-structured interviews. For each of the four regions we talked to about ten central actors. Then, qualitative content analysis was conducted to reconstruct and compare the cases. In addition, relevant strategic documents and statistical data were researched. The analysis focuses on the integration of new actors and new ideas in the regional governance process. Therefore, important institutions, actor constellation, actors' action orientation and resource inter-dependencies were detected, as well as steering attempts and strategic procedures. The building of hypotheses is guided by theoretical approaches including actor-centred institutionalism, power-dependence framework, network governance, strategic planning and policy learning. The results show the differences between the four regions contingent from the initial situation including resources, network structures and spatial problems. In one region for instance, regional managers try to integrate new particularly entrepreneurial actors which lead to strategic vagueness and difficulties in building implementation capacities. In another region, leaders were successful in integrating regionally external experts and their ideas but the new strategy is at risk to fail because there are no experiences with respective projects. The two other cases seem to use the national resource to enforce existing structures and implement unconnected projects they are familiar with. Overall, the results emphasize the obstacles that hinder external impulses to affect regional governance structures and implement innovative strategies.

THE TRAVELS OF THE CREATIVE CITY. NETWORK EXPERIENCES IN AMSTERDAM AND LEIDEN

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With the help of a three-pronged conceptual and analytical toolkit – based on assemblage, coding and overcoding – we present a study of the dissemination of the 'creative city' concept in The Netherlands. The analysis consists of three parts. First, against the background of the global circulation of the concept, we focus on how codings of the creative city entered and spread in the Netherlands. Second, we then zoom in onto two processes of local coding and assemblage, exploring two cities: Amsterdam and Leiden. Third, we assess how, both at the national and local level, the coding of the creative city, and its local assemblage, can be associated

with neoliberal urban agendas. We conclude that the Creative City is not just an accessory to neoliberal tendencies. It provides cities also with the opportunity to explore local responses and to be genuinely creative, and to be manifestly different.

Gateway K

DETERMINANTS OF REGIONAL LAND-TAKING PROCESSES: FINDINGS FROM A CASE-STUDY CONCERNING SARDINIA (ITALY)

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Land take is a process of significant relevance in the countries of European Union (EU). In 2011, the European Commission (EC) put in evidence that an important milestone for the EU should be to reach the goal of no net land take by 2050, and to take under strict control the impact of EU policies on land-taking processes in the new Structural Funds programming period (2014-2020) (Communication of the EC to the European Parliament COM(2011) 571 of 20.9.2011). Moreover, the EC indicates that land take in the EU amounted to more than 1,000 km² per year between 1990 and 2000, decreasing to about 920 km² between 2000 and 2006 (European Commission, 2011), and that, as a consequence, the objective of no net land take by 2050 would imply a decrease rate of about 800 km² per year. Land take in Italy parallels the difficult general situation of the EU countries. Figures at the national level put in evidence that in 2009 a 7.3 percent of the Italian land had an artificial land cover (EC, Eurostat, 2012), with an average growth rate of about 6 percent between 1990 and 2000 and of about 3 percent between 2000 and 2006 (ISPRA, 2011, p. 479). The implementation of analyses of land-taking processes at the regional level is problematic since currently available geographic databases and information systems do not provide systemic information on the phenomenon (CRCS, 2012). However, a few Italian regional administrations, such as Lombardy and Sardinia, have set up regional information systems that address land-taking processes. The geographic information systems of these regions allow to relate land take with spatial, economic and planning-policy related variables, and to infer on correlations between such variables and the land-taking phenomenon. In this paper we analyze the Sardinian land-taking process as related to factors which are identified as relevant variables in several studies concerning land take, such as land-parcel size, accessibility, proximity to regional and local cities and small settlements, natural risk, proximity to nature conservation areas. We study the land-taking process through the land-use maps of Sardinia, made available in 2003 and 2008 by the Sardinian regional administration. The results and inferences of our study could be easily generalized to other Italian and EU regions, under the necessary condition that geographic databases and maps were made available for these contexts as well. The influence of the factors/variables found relevant on land take could be taken into account to define regional planning policies to limit or possibly prevent land take, and, by doing so, to help implementing the EC recommendation on no net land take by 2050 into the EU regional policies.

Gateway D

DISCUSSION ON THE REGIONAL ECONOMIC RESILIENCE

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The economic crisis has affected much of the developed countries and regions since 2008 and has directed attention to the resilience of local and regional economies to these events. The research develops the idea of resilience and examines its usefulness as an aid to understand a reaction of regional economies to major recessionary shocks. According to Martin (2011) it is only very recently that the idea of »resilience« has attracted attention from regional analysts, spatial economists and economic geographers. In economic geography different concepts have been developed to explain economics' resilience and their ability to recovery. Evolutionary view regards resilience as path-dependent process. Recently, several concepts related to evolutionary economic geography, such as path dependence, lock-ins, co-evolution and related variety as well as cluster life cycles, have been used in order to explain economics' resilience and their ability of fast recovery (Martin, 2011). The research will not focus only on economic factors but also on the other factors

that have an influence on regional resilience as institutional and demographic factors. The purpose of the paper is to investigate how regional socio-economic structures responded on the economic regression during the recession. The main scientific question is to find out how regional socio-economic structure influences on the regional response and recovery during the recession. The question refers to the concept of resilience on which basis the regional economies can quickly recover and return to their further development paths or even exceeded it. The research will be done for Slovenian regions. The focus of the paper will be on existing theoretical concepts and on socio-economic factors which have an influence on the resilience of regions during the recession. I'll try to find out which socio-economic structure is the most resilient. Due to the concept of regional resilience it would be possible to classify the regions on the basis of their ability to recover during the recession (the typology). On the basis of the theoretical cognitions the evolutionary geographical theory about the resilience of regions will be developed. Variables for the resilience index will be defined and interpreted. The research will contribute to the development of economic geography with the explanation of the concept of resilience during the recession. Furthermore, results will contribute to the application of the geographical cognition on the regional planning. The proposals for implementing economic and regional politics during the recession will be explained. The results will be useful for regions that will get grounded and scientific information about the vulnerability, response and recovery during the recession.

Gateway B

SUSTAINABLE PORT REGIONS: THE CASE OF GOTHENBURG AND REGION VÄSTRA GÖTALAND, SWEDEN

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Jerry Olsson, University of Göteborg, SWEDEN

The purpose of this paper is to present a conceptual framework of a newly started research project with the objective to compare European port regions with regard to the relationship between its goods-flow development potential and degree of integration into regional/local sustainable planning initiatives. At this early point in the project, the Port of Gothenburg and the Region Västra Götaland, located at the south-western part of Sweden will be taken as an example. In the light of globalisation of trade flows, more restrictive environmental regulations and on-going competition between cities and regions, it is more important then ever to integrate port-activities and regional/local development planning. Long-term investments in sustainable logistics solutions may enable regions to move from port-cities to port-regions through increased flows of goods to and from a larger hinterland. The conceptual framework of the roject is based on two related but rarely interconnected perspectives: i) Ports and regions relative position and role as nodes in global trade and its related logistics flows and ii) The role of sustainable integrated logistics in regional and local development planning. The project will look at how the port is positioned in relation to global supply chains, especially the opportunities to attract overseas direct calls. This is especially important in light of the fact that the flow of goods is increasingly concentrated to fewer and larger ports. However, in order to attract new flows, thus increasing competitiveness requires that land-based activities are well integrated with the port. Research in the field increasingly pays attention to the fact that the port and the surrounding region have a common interest to ensure effective overall solutions that integrates currently separated functions such as handling, logistics systems, infrastructure, land use, industrial development, and regional policy. Due to the fact the vast majority of ports are located in large urban areas, questions about city logistics are key to develop the understanding of the port/region dynamics. This includes the question of how to avoid that areas in the vicinity of the port – trough lack of collaboration in planning – become a barrier for expansion of the port region. The result of the project will contribute to a better understanding of the function of ports and the port/region interface in relation to regional sustainable development planning. Through comparative case-studies the is an aim is to differentiate between types of strategies and its outcomes across Europe.

HUNGARIAN CITY-REGIONS IN TRANSITION: AGGLOMERATION ECONOMIES IN THE DUAL ECONOMY

Imre Lengyel, University of Szeged, HUNGARY

Nowadays some scholars of regional studies are interested in the role of agglomeration economies in the knowledge-based economy. This issue can be addressed from two different points of view: the classification of city-regions and the factors influencing development in city-regions. To improve competitiveness of city-regions, different economic development programmes must be applied, which means that the improvement of competitiveness requires different strategies based on the different types of agglomeration economies. In this paper we are going to investigate the development and specialization of Hungarian city-regions. Our statistical analysis underlines the classification of city-regions by types of development, which based based on a complex methodology of multi-variable data analysis. For the investigation of agglomeration economies in these different types of city-regions we apply the location quotient (LQ) method and Ellison-Glaeser index for traded sectors. The Local Moran Index (LISA), which can be interpreted as the local index of spatial autocorrelation, is used to calculate the neighbourhood effects of the Hungarian city-regions.

FOREIGN FIRMS AND THE POTENTIAL SYNERGY IN REGIONAL INNOVATION SYSTEMS: THE CASE OF HUNGARY

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Loet Leydesdorff, ASCOR, University of Amsterdam, THE NETHERLANDS

One of the most promising features of the diverse literature on regional innovation systems (RIS) is its capacity to integrate theories and ideas. For example, RIS draws equally on local institutions (Lundvall et al., 2002) and knowledge bases (Asheim and Isaksen, 2002) while asking the question why innovation output and technological change differs across regions (Cooke et al., 2004). This framework provides a common base for evolutionary and institutional-geographical analyses (Boschma and Frenken, 2006), while the introduction of complex system approach into economic geography opens the floor for quantitative approaches measurement and simulation in the analyses of RIS (Martin and Sunley, 2007). This study follows methodological developments in the measurement of synergy at the regional level by using indicators derived from complex system theory and entropy statistics (Leydesdorff et al., 2006, Leydesdorff and Fritsch, 2006). Our argument focuses on knowledge mechanisms in RIS (knowledge exploration, knowledge exploitation, and organizational control), and claims that synergy among these mechanisms can be measured as reduction of uncertainty at the system's level (Lengyel and Leydesdorff, 2011). Synergy can be considered as a mark of the quality of a RIS, because established local institutions and/or behaviour patterns then reduce uncertainty the local actors have to face within a configuration. Synergy reduces costs of decision making, strengthens collaboration, and can be expected to lead to more efficient innovation activities. The motivation behind this paper is twofold. First, the analysis extends on the decisive role of foreign-owned firms in Hungarian regional innovation systems. This has been suggested before, but it is demonstrated here with new evidence. Second, we take a further step in developing the methodology, and introduce a four-dimensional model in order to quantify the effects of foreign owned firms on synergies among the technological, economic, and geographical dimensions of (regional) innovation systems. Hungary, being a small and open economy, enormously leans on foreign investments. In addition to that, the Hungarian economy was challenged by post-socialist transition and an upswing of globalization simultaneously (during the 1990s). This has left a footprint on regional economies as well. Those regions and sectors grew dynamically in which foreign-owned companies invested. But foreign firms also re-structured regional innovation systems, because Hungarian subcontractors were not able to catch up with their standards and these regions became dependent on the companies without real spill-over effects. The gap between dynamic and lagging regions widened: foreign companies integrated few regions into international levels, while the majority of regions lagged with a prevailing effect of stagnating domestic companies. The methodological extension enables us to control for internationalisation when computing synergies in RIS. The three dimensional model had been built on entropy statistics and was introduced into innovation studies by Leydesdorff et al. (2006). This model was extended to four dimensions by Leydesdorff

and Sun (2009). One-, two-, three-, and four-dimensional entropy values are measured along four analytically independent distributions of firms (technological class, size, location, internationalization). RIS synergy is measured as mutual redundancy that is defined at the level of the aggregate of the entropies mentioned. Synergy arises when these distributions depend on or overlap each other (such as in the case of spurious correlations): the value of three-dimensional mutual redundancy is negative in this case, whereas a positive four-dimensional mutual redundancy signs RIS synergy (Leydesdorff and Ivanova, in preparation). Our results confirm previous conjectures, but with new evidence. Mutual redundancies in three and four dimensions indicate that RIS synergy prevails in all counties when all sectors in the economy are taken into account. However, no synergy could be found in high-tech or medium-tech manufacturing sectors, and knowledge-intensive services (HTMTKIS) in lagging regions when the dimension of internationalisation was added. Furthermore, the small group of foreign firms have much higher effects on synergy in the regional economy than the large group of domestic firms. A clear North-West South-East divide can be made visible when the effect of foreign and domestic HTMTKIS firms on RIS synergy is mapped geographically. In other words, some regions have been re-structured by foreign-owned companies, while others remained led by domestic firms.

Gateway I

FORM OVER SUBSTANCE: THE CHALLENGE FACING THE MANAGEMENT OF COHESION POLICY IN THE 2014-2020 PROGRAMMING CYCLE

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When an academic whose studies over the past two decades have covered the EU Cohesion and Regional Policy is called upon to cross the divide between those who study the Policy and those who implement it, a golden opportunity is provided for a view of the Policy 'from within'. In October 2008 the author, then a faculty member in the European Institute of the London School of Economics, was offered and accepted the position of Director General of Regional Programming for the largest 'convergence' region in Europe: Sicily. The challenge was daunting, given that from the beginning of the Cohesion Policy in 1989 Sicily had consistently registered a low level of performance in the use of Structural Funds and an unresponsive regional economic context. In other words, despite the availability and expenditures of vast sums no impact seems to have been registered by the region's economy between after 1089. This paper takes the opportunity to analyse and discuss the author's reflections from 'within' not only in terms of what the literature on performance identifies as key elements, but also going beyond them to assess and explain their impact on the implementation of the Policy. Among others, the paper dwells on: the staff composition of the Department of Regional Programming, the professional experiences of the top administrators, the administrative culture of the Department, the relationships of the Department with stakeholders, and the multi-level governance exchanges that orientated the work of the Department. Ultimately, the paper aims to draw out recommendations regarding the changes that should be made in order to secure the prospects for the implementation of a performance-based management of regional operational programmes during the upcoming cycle of cohesion policy, 2014-2020.

Gateway D

THE EVOLUTION OF THE FRENCH INNOVATION NETWORK: TOWARDS CLUSTERING AROUND COMPETITIVENESS CLUSTERS/BORDERS?

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Since the beginning of 2005, the French government has supported and partially financed collaborative innovative projects involving actors from public research and private firms through an original national cluster initiative: the competitiveness cluster policy ("politique des pôles de compétitivité"). Those synergies and cooperative efforts are materialized by collaborative projects labelled by at least one of the 71 existing competitiveness clusters and linking clusters' stakeholders (firms and actors of public research) on a given territory. In this paper we analyse the transformation (from 2005 to 2010) of the French collaborative network of innovation, by scanning collaborative projects labelled by competitiveness clusters. Our main research

interest lies first in testing whether the network gets progressively more densely connected, collaborations being stimulated and multiplied over time. Second, we aim at characterizing and understanding in a more fine-grained way the evolution of the structure of the network: if the network gets concentrated, do we observe a tendency for this network to become clustered around some specific competitiveness clusters (collaborations obey in that case a geographical, industrial and or an institutional building logic)? Or, on the contrary, does the network extend on the French territory in a more loosely-coupled way, collaborations being developed with intra- but also extra- competitiveness clusters' members (the cluster policy being in that case less significant in explaining the structuring of the innovation network)? We mobilize two main methods (social network analysis and econometric modelling) for our empirical study. Social network analysis enables us to calculate indicators depicting at the same time the structure and spread of the network, and the respective positions of projects within the network. In a first step, we propose to study the dynamics of the global network, focusing on the evolution of its structure in terms of density and connectivity. We first exhibit that this network gets denser and more connected through time. In a second step, we adopt a more fine-grained analysis and scan the biggest cohesive groups within the French innovation networks in order to investigate their main features, their rationales of emergence and to compare their shapes with the borders of competitiveness clusters. Econometric modelling allows us to estimate the determinants for a given project to be integrated, firstly in the main component of the network, and secondly in the biggest cohesive groups. We find that the borders of innovative communities do not coincide with the territories of competitiveness clusters, suggesting that the evolution of the structure of collaborative innovation networks in France cannot solely be explained by the cluster-policy dynamics. We dissociate ourselves from existing literature, first of all as we study collaborative projects funded on the whole French territory and not only in some specific clusters, without accounting a priori for the territorial borders of the competitiveness clusters in the analysis, but rather choosing to test whether the borders of the clusters emerge in the network we build. Moreover, our paper relies on never-used and exhaustive data on collaborative innovative projects labelled by competitiveness clusters since 2005, which allow us to run a longitudinal study of collaborations over a 5-year period and to account for its dynamics. Third, we adopt a project-based view : we investigate networks of collaborative projects instead of networks of collaborating actors. Choosing the project level of analysis allows us to provide a richer explanation of the determinants of collaborations in innovation, including variables on the actors and the technology at stake, but also testing "proximity-based" arguments.

Gateway B

BEIJING AS A GLOBALIZING CITY

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Since the reform and opening up, China has kept a sustainable rapid economic growth and increasing economic strength, which is recognized as 'a rising great power' by the international community. And Chinese cities are rising and play more and more important roles in global city network. A global city status has become a goal pursued by many metropolitan governments in China. Beijing, as the capital of China, has recently announced ambitious measures to make the city a top global city, and has been undergoing dramatic transformation. But Beijing is still in the early stages of becoming a global city, namely globalizing city. The paper addresses three main themes in transforming Beijing into global city. Firstly, the paper provides a brief overview of the process of development and globalization in Beijing and the position of Beijing in global city network. Secondly, the article highlights the unique path dependence of the rise for Beijing from its own global, national and local contexts. In Beijing, like the other cities in Asia, governments play a critical role in globalizing the city. But the function of the state varies geographically. Beijing must make the own efforts on the pathway to global city formation. Thirdly, the paper examines the problem and challenges confronted by Beijing in global perspective.

COMPARING LEADERSHIP AND NETWORK GOVERNANCE IN TWO UK NORTH EAST CITY REGIONS: EXAMINING THE PROCESSES AND CHALLENGING EXISTING LEADERSHIP MODELS

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In this article we discuss the development of city regional governance leadership in two sub-regions of the North East of England, and use Local Enterprise Partnerships as the key unit of analysis. We examine empirical data on the institutional framework, power relations, social capital and levels of trust to gain a deeper understanding of the processes involved in leading governance networks. In doing so, the main aim is to challenge existing models of heroic leadership, in particular those embodied in existing leadership theories. Any attempt to understand leadership needs to appreciate that it is a complex social phenomena, lacking clear boundaries and where clear definitions are likely to be elusive (Antonakis et al, 2004). Leadership can be meaningfully analysed from a variety of perspectives as it is a multi-dimensional, multi-level and complex concept (Chen et al, 2007, Bass, 1990). Furthermore, the focus can move from individual to group levels, motives, styles and behaviours, situations and other aspects. For Northouse leadership is a process whereby an individual influences a group or individual to achieve a common goal (Northouse, 2010) but there it is generally agreed that there is no single definition of leadership (Yukl, 2009). In analysing some of the processes of leadership in governance networks, we emphasise the importance of complexity, power relations and development of trust, by revisiting some classic texts on leadership and authority (Weber), power (Lukes), and Urban Regime Theory (Stone) to illustrate how leaders mediate between public, private and other sectoral interests in that 'amorphous' gap between formal regulation and informal inter-relationships and connections. The paper is organised as follows. An introduction to LEPs and city regions in England is followed by a section examining existing models of strategy and leadership, then a comparative analysis of leadership in two governance networks, the NELEP and Tees Valley LEP, facilitates discussion on how leaders bridge formal and informal elements of economic development and develop trust, social capital and power relationships within specific institutional contexts. We then revisit some classic political texts as exploratory aids to challenge perceived notions of leadership. We conclude by offering a more robust understanding of collective/distributed leadership as a key to driving urban and regional change.

RELATIONSHIP BETWEEN TERTIARY EDUCATION AND ECONOMIC INDICATORS IN NUTS2 REGIONS

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The role of universities in the regional development process is constantly increasing. Various studies show that higher education institutions contribute to regional economic development by R&D, creation of human capital, knowledge and technology transfer, and by creation of a favourable milieu. It is also brought out that the basic procedure is to sum expenditures of the college community (students, faculty, staff and visitors) created by the presence of the institution and apply multipliers to account for the interdependency of economic activity in a local economy, resulting in an estimated "local economic impact." The aim of the paper is to investigate the relationship between students in tertiary education and economic growth in NUTS2 level in Europe from 2004 to 2009. We found considerable differences in the relationships between tertiary education, GDP and other economic indicators. Authors divided the countries into 4 different groups based on the cooperation level between universities and industry: overall weak cooperation, business favoured cooperation, balanced strong cooperation, university favoured cooperation. We intend to show that the relationship between knowledge flows from universities and region's economic results differ among those country groups. Using data of students at tertiary education, GDP, gross value added and employment rate, the empirical study showed that there is a strong statistically significant relation between GDP and tertiary education in countries (Norway, Lithuania, Czech Republic etc), where the cooperation between industry and universities is high from the view

point of industry, but weak from the universities point of view. There is a weak statistically significant relation between GDP and tertiary education in countries, where industry and universities both think that the cooperation is high (Finland, France, Denmark etc) and in countries where industry thinks that the cooperation with universities is weak, but universities feel that it is high (Spain, Romania, Ireland etc.). In countries, where the cooperation level was estimated as weak from both industry and university side (Estonia, Italy, Portugal, etc), there is almost no correlation between GDP and tertiary education. The empirical study showed that there is a weak statistically significant relation between employment rate and tertiary education in countries, where industry and universities both think that the cooperation is weak, in other groups, there were no statistically significant relation between employment and tertiary education. Using gross value added as the economic indicator, the results revealed that in the first group, the relationship was weak, but statistically significant. In the second group with business favoured cooperation, the relation was moderate. Among those countries, where cooperation is estimated high by both universities and industry, value added and tertiary education are not correlated and in the last group, there is also no statistically significant correlation between those indicators.

Gateway N

CROSS-BORDER ECONOMIC COOPERATION OF RUSSIAN AND KAZAKHSTAN REGIONS (UNDER CUSTOMS UNION AND UNIFIED ECONOMIC SPACE CONDITIONS)

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From July 2011 customs control on Russia-Kazakhstan border was cancelled. It created new opportunities for economic cooperation and formation of the Unified Economic Space. In 2012 Leontief Centre and Centre for integration research of the Eurasian Development Bank conducted research of trade and industrial cooperation of border regions of Russia and Kazakhstan. The research included: analysis of trade between Russia and Kazakhstan; patterns and peculiarities of mutual trade between border regions; analysis of structural transformations (migration, GRP dynamics and structural changes, dynamics of mutual investments) of border regions; inflation, prices and income per capita dynamics in border regions; institutional development and prerequisites of formation of Russia-Kazakhstan cross-border functional macro-region. Main conclusions of the research are: - Trade and structural effects in border regions have not yet emerged at full extent because of short period of time since Customs Union establishment, path dependency in trade and production, similarities in structures and specialization of regional economies, big distances and high transportation costs between main production centers, underdeveloped transport infrastructure network in border regions and low density of population and economic activities. - For more active economic integration of Russia-Kazakhstan border regions and cross-border cooperation there is a need of targeted economic policy and concentration of efforts at all levels: national, regional, local with an active support from business and business organizations from both sides – Russia and Kazakhstan. Also recently established Eurasian Economic Commission should include cross-border integration issues and formation of Eurasian macro-regions in its priority economic policy areas. - A number of specific recommendations to accelerate integration process in the macro-region were formulated in the report: on unification of economic space, liberalization of markets and improvement of business climate in both countries; on incentives and tools for facilitation of functional macro-regions formation; on improvement of statistical base for cross-border and trans-border cooperation research, monitoring and planning.

**NEW GROWTH POLE FOR CHINESE ECONOMY DISCUSSION ON CERTAIN ISSUES
IN BUILDING OF CHENGDU-CHONGQING GROWTH POLE**

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Since the reform and open-up, due to the unique territorial advantages, the Pearl River Delta Economic Zone, centered on Guangzhou and Shenzhen, the Yangtze River Delta Economic Zone, centered on Shanghai, and the Jing-jin-yi Economic Zone, centered on Tianjin, have become three major growth poles of China's economy under the development strategy of giving the priority to develop the eastern regions first, and have made great contribution to economic and social development in China. While the three major economic zones continue to develop, other zones such as Chengdu-Chongqing Economic Zone, Economic Zone on the West Coast of Taiwan Straits, Guangxi Beibu Gulf Economic Zone, Big Economic Zone in Wuhan and Guanzhong-Tianshui Economic Zone gradually take shape. Chengdu-Chongqing Economic Zone, located at center belt of west regions in China, is aimed to forming a network with the three major economic zones and is growing into a new growth pole in China. Lying in Sichuan Basin, Chengdu-Chongqing Economic Zone adjoins Shaanxi and Gansu to the north, Yunnan and Guizhou to the south, Tibet to the west and Hunan and Hubei to the east. Eastwards, Chengdu-Chongqing Economic Zone makes connection to the Big Economic Zone in Wuhan and Yangtze River Delta Economic Zone through Yangtze River; southwards, it makes connection to the Pearl River Delta Economic Zone, Guangxi Beibu Gulf Economic Zone and accordingly to the southeast Asian countries and south Asian countries over Yunnan, Guizhou, Guangxi and Guangdong provinces; northwards, it is led to Xinjiang and central Asian Countries via Longhai-Lanxin Economic Belt; and westwards, it is an entrance to Tibet. Therefore, Chengdu-Chongqing Economic Zone is a center where the eastern China connects with western China, and the southern China and northern China joint, posing an important strategic position. The Chengdu-Chongqing Economic Zone plan is expected to be approved by the State Council of China soon and is aimed at becoming a national strategy and a new growth pole for Chinese economy. In 15 to 20 years, the Chengdu-Chongqing Economic Zone is becoming a zone with comprehensive economic strength and strongest international competitiveness in west China, an engine to drive rapid development of west China's economy and a new growth pole for Chinese economy. This Economic Zone is also becoming a comprehensive transportation hub, a communication hub, a logistics center, a commerce and trade center, and a financial center as well as a modern city agglomeration and a vital entrance for west China to welcome and participate in global cooperation and foreign investment. In addition, this Economic Zone is also becoming a national resource development base, an advanced manufacturing base, a technical innovation base, a national defense scientific research base, an agricultural product processing base, a modern service base, a national security strategic base and an ecologic barrier for the upper reach of Yangtze River.

**REGION SKANE AND THE BSR – SCOPE FOR ADDRESSING CHALLENGES AND
OPPORTUNITIES OF GEOGRAPHIC AND FUNCTIONAL PERIPHERALISATION**

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This paper discusses the position of the Skåne region within the Baltic Sea context - both in actual functional-political terms, as well as in terms of strategic projections and ambitions at the local, regional and national level. The paper draws on collaboration between academic and practical political work, and insights gained from that, and discusses the role of a region such as Skåne in the international context of the Baltic Sea Region. Skåne overall has a mixed economy, reflecting contrasts between the rural (eastern) and urbanised (western) parts with leading international companies located in the Malmö/Lund area (biotech, ICT) on the western edge of the region, while smaller firms, some of which linked to a rural economy, are dominant in the other parts of Skåne. This new, outward-looking focus in western Skåne has been reinforced - and made visible - by the marketing of the urban-centric Øresund Region which embraces the western edge of Region Skåne. The result of this rather successful project has been a growing division between those parts of the Skane region that are part of the Øresund virtual region, now looking to its collaborating municipalities in Denmark, and the rest of

the Skåne region with no such links. Connectivities both by infrastructure and policy networks, are in danger of creating distinct divisions and de facto marginalities within the region.

The BSR context is of particular interest, as it offers an international perspective to regional policy making, especially in the economic field, to explore new alliances and forms of co-operation to boost international visibility, competitiveness and development prospects. The BSR as a network-based virtual space of international co-operation across all scales, offers an interesting platform for new forms and directions of strategic co-operation as a policy instrument to overcome spatial peripherality and marginality for the non-Øresund part of Skåne. The result may also be new opportunities for shared projects and connections within Skåne, as the picture may be less that of 'winners' and 'losers' as a result of the internationalisation processes which have affected the region so far. Using Skåne's broader than usual policy-making capacity, the region may use such opportunities to counteract geographic (and political) peripheralities within the national context.

Gateway H

THE OBSERVATION OF LOCAL STAKEHOLDERS' PLACE RELATION IN THE CONTEXT OF CITY BRAND CONSTRUCTION

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Interest in utilizing the idea of branding in the development of cities has notably increased during the past decade. Several reasons for this may be recognized. Perhaps the most fundamental of them is the increased competition – both global and national – between cities; as a result, they have to pay more and more attention to their fame and reputation if they want to be able to attract new firms, employees and residents. Even if several new approaches have been developed to the concept of “brand” in marketing literature, the traditional perspective drawing from product and service branding literature still seems to remain in the strongest position among city brand producers. According to this perspective, it is the public city organization which is responsible for constructing the brand. Further, the idea is to focus mainly on the brand awareness and the brand equity among external target audiences. What is missing here is the appropriate attention to local stakeholders. Social problems have emerged, as several scholars have recently observed. The gap between city branding and equal treatment of local population is, ultimately, unbridgeable. When a city organization commits itself to brand construction, it also commits itself to emphasize the needs and values of certain local stakeholder groups over those of other groups. Certainly this can happen in such a scale that other stakeholders are ready to accept it, or from necessity, which also may help in reaching the wide acceptance. In practice, however, the brand producers are walking a tightrope. It is rather common that even the key local stakeholder groups are not acknowledged widely enough. This may, naturally, wake negative attention among both local stakeholders and external target audiences. But then again, how the local stakeholder groups should be acknowledged? In this research, I argue that among the groups in question the idea of brand equity should be paralleled to motivation to live and work in the city. The motivation is further connected to the quality of place relations prevailing among these groups. In this study I utilize the brands box model, originating from product and service brand research, and connect it to the identity process theory which describes the formation of relations between people and their everyday environment. In this way I aspire to specify the mechanisms affecting the formation of place relations that are especially noteworthy from the standpoint of city branding. Empirically the study is focused on the city of Turku – the oldest city of Finland and the European Capital of Culture 2011 – and to the place relations of professional designers living and working in the city.

RENEWABLE ENERGIES AT THE LOCAL LEVEL: CONCEPTUALISING THE COORDINATION OF ENERGY POLICY AND LANDSCAPE POLICY

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In order to protect the global climate and reduce dependency on energy imports, many countries make an effort to substitute fossil fuels by renewable energy sources. However, the transition to, for instance solar and wind power, frequently has severe consequences for (natural) landscapes. The paper interprets the tensions that develop in terms of difficulties in coordinating energy and landscape policy. While the state sets the framework conditions for the transition, the local level is important in at least two regards. While municipalities are often in charge of land use planning and have an influence on, e.g. the establishment of wind farms, they can themselves become investors or actively support investment. Cities and towns thus pursue a certain energy policy that in this context is basically understood as economic policy. It can also be said that municipalities adopt, often only implicitly, a landscape policy that is basically environmental in nature. How does the municipality deal with the consequences of energy production for the landscape? Landscape, defined as “an area, as perceived by people, whose character is the result of the action and interaction of natural and/or human factors” (European Landscape Convention), is important for urban and regional development. Landscapes can, in favourable interplay between ecosystems and human activity, provide services such as clean water, clean and cool air, biodiversity, as well as spaces for recreation (cf. Termorshuizen and Opdam 2009). The landscape scenery is particularly important for recreation. There is a complex fabric of policies woven into a multi-actor, multi-sector, multi-level governance setting. The paper aims, firstly, to map the basic relationships between the various policies involved. The analysis shows that – depending on the appraisal of landscape change – there are now strongly competing policies within the environmental field: climate change mitigation and landscape protection. Secondly, the paper maps the factors that may influence the outcomes of policy coordination: the substantive policy problem, the actors, and the institutional framework, as well as knowledge, power and values aspects. The analysis is based on actor-centred institutionalism (Scharpf 1997) and discursive institutionalism (Schmidt 2008), taking particular account of the literature on environmental policy integration (e.g. Nilsson 2005, Jordan and Lenschow 2010).

THE CPC 18TH NATIONAL CONGRESS AND OVERALL PLAN FOR PROMOTING ECONOMIC, POLITICAL, CULTURAL, SOCIAL AND ECOLOGICAL PROGRESS IN A NEW DEVELOPMENT STAGE

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Since the policy of reform and opening-up was introduced in 1978, China has developed at 10% annual rate, become the second largest economy in the world and made great contributions to the growth of world economy. Now, as a large country featuring internal diversity and unbalanced development, China is actively exploring a balanced and sustainable development path. The Eighteenth National Congress of the CPC and establishment of the overall plan for promoting economic, political, cultural, social and ecological progress marked a new stage of pursuing comprehensive, balanced and sustainable development for the socialist modernization of China. At the same time, the 18th National Congress declared that China will enter the transition stage from “building a moderately prosperous society” to “completing the building of a moderately prosperous society in all respects”. In addition, the Congress formulated the great goal of doubling the economy and individual income over 2010. In this new stage, China will experience a series of significant changes in social, economic and other areas and will have a far-reaching influence on China’s future development focus, selection of strategic emerging industries, change of growth model and deepening direction of regional development strategy. We can see that the nature and conditions concerning international environment of the period of important strategic opportunity has changed a lot. The opportunity facing us was no longer a traditional one of simply entering the international division of labor, expanding exports and speeding up investment, but a new one of forcing us to expand domestic needs, enhancing innovation capacity and accelerating the change of the growth model. Seizing development opportunity, the

coastal regions, particularly Tianjin, have begun to actively adjust structure, and have made significant breakthroughs in infrastructure building, urban development and industrial structure adjusting. Meanwhile, the overall strategy of China's regional development has also entered a new stage: new plans were adopted by the central government for the development in coastal regions, and many provincial-level plans were elevated to national strategy after approval of the central government; the strategy of large-scale development of the western region has entered the next 10-year stage and key tasks will be changed from the first-decade 'Five Passages' relating to construction in five aspects to the 'Nine Tasks' put forward by the State Council in the new decade. After the Eighteenth National Congress of the CPC, The country's intention of upholding and further deepening the overall plan of supporting the eastern region in taking the lead in development, developing the western region, fully revitalizing old industrial bases in northeast China and promoting the rise of the central region was very clear.

Gateway QVI

BORN TO BE SOLD: START-UPS AS PRODUCTS, LISTED GROUPS AS BUYERS. CORPORATE VENTURING AND LOCAL ANCHORING IN SWISS MEDICAL TECHNOLOGIES

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Similarly to other territorial innovation models (Moulaert and Sekia 2003), cluster models (Porter 1998, Cooke and Martin 2006) have early pointed to the capacity of economic actors, namely enterprises, to innovate within a particular regional production system. Local learning has been emphasized as a strategic resource in production to compete in the global market. Later on, an evolutionary perspective has been given to the cluster theory and particular 'cluster life cycles' have been identified and described (Menzel and Fornahl 2009). This approach mainly reflects the industrial idea of life cycles (Klepper 1997) marked by sequential waves of growth and decline, by technological renewal and by sectoral transitions. Similar phases have been applied to technological and financial 'firm life cycles' (Miller and Friesen 1984, Owen and Yawson 2010). In a TIM perspective, various authors have described the determinant importance of proximate investments such as local bank credits (Crevoisier 1997) and local venture capital (Dei Ottati 1994) in the development of startups and SMEs. Illustrated by the case of Silicon Valley, localized financing enhanced the regional agglomeration of knowledge and clustering of activity (Florida and Kenney 1988). With the rise of financial markets and of foreign direct investment (FDI), large listed multinational companies have become more prominent players in such dynamics. Multinational corporate venture steps in at an early stage of new firms' development (Chesbrough 2002, Garel and Jumel 2005, Ben Hadj Youssef 2006). What does such a new relation between start-up and multinational companies entail in socio-economic and territorial terms? How does corporate venturing impact on 'firm life cycles' and, ultimately, on 'cluster life cycle'? Through the case study of Swiss medical technologies (Medtech), the contribution will highlight three different dimensions related to this questioning. First, local anchoring of technological and financial resources is shaped by new start-up trajectories. While fundamental technology and incubation capital builds on local resources, market exploitation takes place, from its early phase on, through the investments of large listed multinational companies. Second, the entrepreneurial project behind the creation of a new start-up tends to change fundamentally. While the economic potential of start-ups was traditionally perceived in a longer run, they are now 'born to be sold'. Corporate venture has become a strategic tool for large companies to tap external innovation processes taking place with the local milieu. Third, the identification and evaluation by investors of 'worth-buying start-ups' implies complex intermediation processes. In this view, international fairs and opinion leaders are key resources to justify and legitimate the value of local start-ups, purchased as products.

SURVEYING THE CLUSTERING OPPORTUNITIES OF SMES IN THE HUNGARIAN- ROMANIAN CROSS BORDER REGION

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As cluster-mapping – identifying potential and existing clusters in a region’s economy – has found its place in the scientific literature, several attempts have been made in the developing countries to reveal the economic structure of the country, a specific region or county, and to find their highpoints. Despite the fact that an effective regional or local development process with the rational use of the resources at hand ideally needs the outputs of a thorough study revealing the true drivers of the economy, in practice the toolkit of cluster-mapping is often ignored. The reason is the difficult and problematic adaptation of the tools developed for developed countries: statistical databases have their shortcomings, primer data collection is rather costly. The aim of this paper is to carry out an inquiry into the southern part of the Hungarian-Romanian cross-border region on the basis of this toolkit, however. Besides the awareness of deficiencies and difficulties, this study gives results based on exact data. These results may also form the starting point of further studies. The economic structure of the cross-border region is analysed from different aspects, which together lead to certain consequences and also to the identification of the potential “Human resource”, Construction and various processing industry clusters of the region.

ESTABLISHING INNOVATIVE DEVELOPMENT COOPERATION ON THE PERIPHERY: EXPERIENCES FROM HUNGARIAN CITY-REGIONS

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Regional studies highlight the contemporary relevance of agglomeration economies in the development of heavily urbanised city-regions, and the way metropolitan areas have been able to harness these advantages in the pursuit of competitiveness. A system of world cities and linked medium-sized metropolitan centres have become the main drivers of the global economy, with a strong concentration of high value-added activities and emerging functional specialisation. These city-regions often serve as idealised case studies of urban and regional development, and their lessons about concentration have also become the underlying logic of polycentric EU and national development policies. In contrast, ‘minor cities’ have until recently received much less systematic attention. These urban centres represent a sub-metropolitan tier of the European city network, and are particularly common on its geographic and socio-economic peripheries. Minor cities must face the persistent weakness of their agglomeration economies, and often significant institutional weaknesses. This, in turn, calls for new adaptive strategies which can serve as a persuasive ‘counter-argument’ to strengthening centre periphery relationships based on spatial determinism, to ensure that even cities which do not possess a sufficient critical mass can find an advantageous place in the current space economy. Specialisation and diversification become vital strategic choices in managing innovative development. In this paper, written from the perspective of evolutionary economic geography, but also synthesising the results of urban regime theory and literature on regional innovation systems, contrasts the experiences of three Hungarian urban agglomerations to highlight different forms of adaptation to the realities of metropolis-driven growth, and the relevance of institutions in this process. With the help of structured interviews with key stakeholders in economic development (enterprises, chambers of commerce and development organisations), it is shown that successful development in minor cities hinges on the adaptive restructuring of the local economy, the knowledge transfer role and economic embeddedness of higher education; and the strength or weakness of urban governance. All examined cities show weaknesses characteristic to post-socialism and low urban mass, but nevertheless serve as examples of how different forms of industrial restructuring have led to different degrees of success. While full, functional urban regimes have not yet emerged in any of the case studies, it is possible to identify ground-level development activity which points towards increasing bottom-up economic organisation, and a more systematic approach to local development. Lacking strong capacities (or traditions) of governance under the conditions of post-socialism in crisis, and a strong domestic corporate sector which

characterise the North American and Western European model of urban regimes, it is suggested that in Central Europe, this model will be adapted with certain sectoral and organisational differences. More mosaic-like development coalitions of local stakeholders possibly coordinated by chambers of commerce and industry as well as development organisations may provide the institutional framework which can establish effective development policy. It is furthermore argued that without strong capacities or knowledge for economic development in city governments, the direction of urban regime development assumes a different direction, driven more by the business sector than city government.

Gateway G

AUSTERITY AND THE NEW LANDSCAPE OF URBAN GOVERNANCE

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Following the major recession of the early 1980s, debate in Anglophone urban political analysis identified the onset of a 'new urban politics' (Harvey, 1989; Cox, 1993). One notable argument to emerge was that, amid the fiscal restraint enforced by the inchoate hegemony of neoliberal reason, policies to stimulate economic growth and signature urban development projects were being prioritized largely at the expense of extending urban services and collective consumption for working class citizens and poorer communities. Further, in due course a stern spatial governmentality of increasingly consumption-oriented premium public spaces allied to the influence of para-statal 'shadow' organizations like Business Improvement Districts were deemed to eviscerate the urban public realm and engineer a 'post-political' city (Swyngedouw, 2007). However, this period of consolidated neoliberal urbanism has since been superseded by the merciless austerity measures that have been waged across the landscape of many countries following the Great Recession (Peck, 2012). Further, the ensuing cuts in public sector jobs and services have led millions to take to the streets of Athens, Madrid, London, New York and other cities amid insurgent calls for egalitarianism, justice, and democracy (Swyngedouw, 2011). This intensified austerity and rising political temperature demands that some well-established analytical frameworks for interpreting urban governance and politics - growth machine, urban regime, entrepreneurial governance, and neoliberal urbanism - be placed under critical scrutiny (MacLeod, 2011). It is a demand further augmented when acknowledgement is made of: 1) the extraordinary splintering of urban-regional landscapes and associated tectonic shifts in their economic and social ecologies vis-à-vis the uneven provision of infrastructures and services; 2) estimates which project that by 2050 seventy-five percent of people will reside in urban settlements; and 3) that these two trends are significantly amplified in cities in the global south. With these factors firmly in its sights, this paper takes inspiration from Ananya Roy's (2009) plea to dislocate the EuroAmerican centre of theoretical production and draws on literatures from radical planning theory and political insurgence with a view to conceptually mapping governance and politics in the early twenty-first century metropolis.

Gateway L

PUBLIC-PRIVATE SECTOR WAGE GAPS IN FINNISH REGIONS

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Earlier literature has devoted considerable attention to public-private sector wage differentials. These findings provide a fairly uniform picture; the wage differentials are large for females, but not always statistically significant for males. While studies of public-private sector wage differentials are abundant in the case of single and cross-country level, the evidence on pay gaps across regions within a country is much more limited. This paper contributes to this literature by examining the sectoral wage gaps in Finnish regions at the NUTS3-level, with lower unemployment rates in most parts of the Southern Finland regions, matched by higher unemployment rates in the East and North. The micro data used in the analysis are based on the Longitudinal Census File and Longitudinal Employment Statistics constructed by Statistics Finland for the 1970 through 2006 period. By using a personal identifier, data across censuses and data on region of residence and workplace are merged with the individual records. The data represent a seven per cent random sample of the Finnish population in 2001. A research period from 2000 to 2006 is selected for the analysis. The analysis focuses on

employees who are employed either in the public or private sector in year t , excluding entrepreneurs. In the analysis both ordinary least squares (OLS) estimates and fixed-effects (FE) estimates are reported. The latter consideration is important, as it takes into account individual-level heterogeneity over time, such as self-selection. The preliminary analysis shows that significant differences exist in public-private wage differentials across Finnish regions. The OLS results for males indicate that while there is no unequal pay offered by the two sectors at the economy-level, the pay gap is small and negative in Uusimaa (-2 per cent) and highly positive in Satakunta and Etelä-Savo (12 per cent). Females, in turn, earn more in the public sector at the economy-level (10 per cent), but the pay gap is again small in Uusimaa (2 per cent) and high in Satakunta, Lapland and Central-Finland (approximately 20 per cent). In general, the public sector pay premium is observed in many NUTS3 regions for males, with a much higher pay premium for females. The differences in pay gaps for females can be partly explained by local market conditions that affect differently to private and public sector wages; the pay gaps are typically higher in regions where the labour markets perform more poorly. Interestingly, we do not find a similar positive relationship for pay gaps for males. The control of individual-level heterogeneity smooths the differences in pay gaps across Finnish regions but also across gender. In fact, in seven regions out of 19 (Kymenlaakso, Central-Finland, Central Ostrobothnia, Northern Ostrobothnia, Kainuu, Lapland and Itä-Uusimaa) the employees are paid similar pay in both sectors. These results suggest that it is crucial to control for self-selection in the estimation of wage gaps, as often the wage differential is simply due to sorting. Furthermore, there is no longer a clear positive relationship between public-private sector pay gaps and unemployment rates at the local-level.

Gateway A

REGIONAL INNOVATION THROUGH EDUCATION FOR SUSTAINABLE DEVELOPMENT - THE CASE OF REGIONAL CENTRES OF EXPERTISE

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Education and research are considered a prerequisite for addressing sustainable development in regional contexts. Education for sustainable development is seen as a key driver to impart knowledge and skills needed for a better quality of life, peaceful coexistence, a sound environment and a socially just economy (UN (2012), *The Future We Want*). Hence education can empower people to take action for generating regional development and social change. To drive regional innovations forward the collaboration of multi-stakeholder networks, like universities, research institutions, NGOs, enterprises, politics and schools, as well as approaching specific regional challenges and demands, is essential. The purpose of this contribution is to outline how regional learning and innovation networks contribute to regional innovation for sustainable development. Cases are taken from the global network of Regional Centres of Expertise on Education for Sustainable Development (RCEs). The first seven RCEs were launched in 2005; as of January 2013 116 RCEs operate worldwide. RCEs aim at contributing to achieve the goals of the UN Decade of Education for Sustainable Development (2005-2014) by translating global sustainability strategies into local and regional actions. The global RCE network is coordinated by the United Nations University - Institute of Advanced Studies. RCEs build up multi-stakeholder networks by identifying crucial agents and organisations within particular region. They consist of formal and non-formal education and research institutions as well as regional partners. The presentation outlines an analysis of these local and global RCE networks, which research proves how RCEs fulfil following functions: - RCEs serve as key drivers for exchange and generation of mutual knowledge, regional cooperation between science and society, transdisciplinary research and hence innovative regional development - As major contributors to research and innovation as well as due to their social and regional responsibility, universities are ideal partners for innovative developments towards sustainability. Through applied and transdisciplinary research, universities are able to address societal-driven challenges and demands in the region, involve different disciplines and stakeholders, as well as link education, theory and practice - Though RCEs act within a regional context, they are part of a 'global learning space for sustainable development', where RCEs around the world exchange their knowledge and experiences. It is outlined that the global perspective and exchange play an essential role for successful implementation of sustainability and hence regional innovation. RCEs translate global strategies into local action and hence in an opposite sense present a potential testing ground to explore how regional innovations can be scaled up for global relevance.

START GLOBAL AND EXPAND LOCAL: THE UAE'S UNIQUE CLUSTER DEVELOPMENT STRATEGY

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The United Arab Emirates (UAE) is a resource-rich developing economy with some of the highest living standards in the world. Classical challenges facing regional economic development in much of the world are largely irrelevant to the UAE context. Our paper will highlight the challenges encountering economic development plans, particularly the transfer of knowledge through cluster development, in resource-rich economies such as the UAE. It will then move on to present two different, but unique, cases of cluster development strategies that we observe at the country. The first is the 'surrogate mother' model, where the seeds of the cluster are planted overseas, and the second is the 'foster parents' model, whereby through foreign acquisition a guardian for the local cluster is secured. The paper will then move on to analyze the evolutionary dynamics of the two models, especially at 'meso' level where the interaction between corporate strategy and regional economic development manifests itself. The paper ends with a series of recommendations for policy and corporate strategy.

METAL AND ENGINEERING INDUSTRIES IN TURKEY: INNOVATIVE CLUSTERS OR 'CONCENTRATIONS OF MEDIOCRITY'?

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The intensification of global competition is increasingly witnessed in those industries as well, in which traditional industrial powers in Europe and North America have traditionally dominated, namely heavy industries (or metal and engineering industries) producing investment goods. Metal and engineering industries were long seen as relatively immune to competitive pressure from low-cost countries, as in case of investment goods their traditional production bases in Europe and North America were seen to possess such unique innovative capabilities with long-standing reputation and references in the business that merely lower labour costs could not pose a serious competitive threat to them. However, these days nearly every country with even modest industrial resources seeks to support innovation, and traditional low-cost countries as well as peripheral economies are no exception to this. In addition to the emerging economies known as BRICS (Brazil, Russia, India, China, South Africa), another set of countries collectively known as the "Next 11" have witnessed rapid growth rates, and many of them are expected to join the ranks of the world's largest economies in the coming decades. These developments pose huge challenges not only to European and North American companies but industrial policy makers as well, who need to define measures to maintain competitiveness and welfare at home. For less developed countries, on the other hand, the successful Next 11 countries constitute a benchmarking model for higher value-added production, increased innovation, and consequently higher standards of living. The Next 11 include countries at various levels of development. Their common denominators include rapid economic growth in recent years as well as population size that makes them potential economic powerhouses in a regional and even a global setting. Out of the Next 11, Turkey is widely considered to be the next country to enter the ranks of developed economies. In 2011, Turkey was one of the world's most rapidly growing economies, and the country's industrial base is of great regional significance (when contrasted with Eastern Europe and the Middle East). Certain industrial regions can be identified in Turkey, with distinctive specializations in automobiles and textiles among others. Globally, Turkey is still seen as a low to medium technology country, and the country's innovative capabilities and clusters, inasmuch as they exist, have received relatively little attention. This research studies innovative capabilities in Turkey's metal and engineering industries from 1980 to 2010, and as such, one of the few of its kind conducted so far. This period covers the beginning of large scale automotive manufacture in Turkey, the country's economic opening and entry into a customs union with the European Union, as well as the economic reforms of the early 2000s which have contributed to the high growth rates Turkey has witnessed in recent years. Yet in Turkey as well as amongst foreign observers, there is a consensus on that Turkey needs to have more innovative companies in order to sustain economic growth and increasing living standards in the future as well. Utilizing

US patent data, this research seeks to uncover emerging innovative clusters in metal and engineering industries in Turkey. The research seeks to answer the following questions: 1) to what extent have Turkish metal and engineering industry companies patented their inventions in the US from 1980 to 2010; 2) are there innovative clusters in these industries in Turkey and where in Turkey are they located; and 3) have foreign-headquartered multinational corporations sought to tap to these innovative resources in Turkey, and thus have their subsidiaries in Turkey patented their inventions in the US? The research uses patent data extracted from the US Patent and Trademark office database. US patent data is rich, and includes information such as the name and place of residence of inventors associated with a patent. Thus, "geography of patents" can be used to uncover locations with a high concentration of inventors, and whether inventions are patented by companies of local origin, or by local subsidiaries of multinational corporations. This research shows an increase in US patenting by companies located in Turkey towards the end of the observation period. This increase is expected to be the result of activities of both indigenous companies and subsidiaries of multinational companies in Turkey. Furthermore, in line of established innovation literature, it is expected that innovation activity thus uncovered by patent data is clustered in areas and regions where metal and engineering industries are well established in Turkey.

Gateway E

ENTREPRENEURSHIP IN RURAL DEVELOPMENT: AGENT SPECIFIC AND ENVIRONMENTAL CONDITIONS FOR LEADERS' AUTONOMY

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Leadership by specific individuals or organisations presupposes their ability to act entrepreneurial. In saying so, we apply the common comprehensive definition of entrepreneurial activity as the realisation of new opportunities despite initial shortage in resources. In this paper we ask what the conditions of entrepreneurial activity in the region's common interest are and how entrepreneurial activity for the region could be supported. This aim implies a shift in the political paradigm towards the mobilisation of a region's endogenous resources and necessitates changes in the administrative sphere as well. These changes need to be adopted to the structure of involved private agents and need to be guided by entrepreneurial leaders within the administration. Against this background, we contrast the role of politics and administration on the one side and of entrepreneurial firms, non-profit organisations, other organisations, or individual citizens on the other side. In this comparison of different types of entrepreneurship we chose the tension between the necessary outside orientation of activities in the collective interest and the degree of agents' autonomy as a common ground and guiding motif of inquiry. Therein we assume that autonomy is a fundamental pre-condition for active leadership and entrepreneurship. In order to capture this tension, we rely on the resource dependence theory (RDT) from organisational studies and on the power dependence framework from political science in order to understand observed activities of specific agents. Both approaches stress the necessity to mobilise additional resources via interaction with other agents. At the same time they stress that the dependence on these external agents weakens the focal organisations' autonomy. Additionally, intra-organisational structures and hierarchies determine actors' autonomy, which is specifically relevant for the comparison of administrative and private actors. Moreover, organisations' and individuals' have acquired owned resources in the past. In summary, agents' current degree of autonomy can be explained by past decisions, their current outside orientation and by the institutions in their immediate environment. On the one side, this conceptual frame attenuates the commonly rather individualistic view on leadership and entrepreneurship, laying ground for scientific generalisation. On the other side, explanations from the resource based view.

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Transnational learning has often been referred to as globalization, which in turn is seen as flows or diffusion of material, capital, human beings (migration), knowhow and information. The concept of 'flows' indicates an easy process, with few obstacles, and occurring at a high speed. Flows with these characteristics was enabled and speeded up by the form of globalization created after the Cold War, where the hegemony of certain highly successful senders, namely the neo-liberal USA and UK economies and societies were crucial centers of diffusion of cultural artifacts, data, news, capital, media messages, forms of organization, and codified knowledge. These senders provided 'best practices' to receivers in more 'peripheral' countries, ready and willing to absorb the messages of modernization. Today, in the somewhat less-structured and polycentric world order, these hegemonic powers have lost some if not all of their allure. The case of Europe is illuminating; there are almost as many 'models' of economic and societal organization in Europe as there are countries. None of them seems to be recognized as hegemonic beyond their own borders. On the contrary, in the current phase of the Eurozone crisis, with a stressed alliance between Germany and France, and on-going north-south conflicts related to austerity policy, what we see are competing models, defending themselves against 'flows' of advice from abroad. Interreg statistics seems to indicate that whereas it is fairly easy to identify "best practices", transferring them across borders in ways which really makes a difference is not as easy. It has been pointed out that these difficulties often may be explained with reference to the "project paradox", as learning inside an interreg project is isolated from the operational environment what the lessons could have been implemented. The paper will discuss theoretical and practical ways in which difficulties related to transnational learning may be overcome: In terms of theories, the architects of the Open Method of Coordination, Sabel and Zeitlin, has outlined approaches, such as root cause analysis, which helps to explain why regions score differently with regards to performance measuring indicators. Bob Jessop has pointed out that states tend to act as selection mechanisms, which are able to absorb what is inside the scope of the strategy, and reject what is outside. He also emphasize that the national structure needs to include emergent networks or projects which opens up for new elements. This argument is extended by Czarniawska and her ANT HILL theory, which emphasized that successful transnational learning consist of coordination of incremental steps which eventually create institutional changes (the ant hill strategy), and fourth, as pointed out by Djelic, transfer of elements relies upon translations. In terms of empirical examples, the paper will discuss the relevance of "platforms" promoting interregional cooperation, such as OMC, Smart Specialization, and platforms used by the OECD to promote NPM. A core method across several of these platforms is the application of peer reviews and peer learning in various forms.

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Cluster evolution results from the interaction of a wide range of factors at the organisational and institutional levels. The objective of this paper is to contribute to a better understanding of this phenomenon through the case study of the Wine industry in Alentejo. This industry operates within the paradox of being highly regulated at the European and national levels, while also being extremely sensitive to local traditions, to the interaction of tacit and symbolic knowledge, and to rapidly changing consumer tastes. It will therefore provide fertile ground to explore the interaction between entrepreneurship and innovation at the sub-national level, with the impact of regulation emanating from regional, national and European institutions. Adopting an evolutionary perspective, I will focus on key moments of change within this industry, and try to identify how regulation, organisations and markets have influenced each other (or been influenced by each other) at particular moments in time. I will argue that the evolution of this cluster resulted from the interaction of these three elements, all of which were crucial in explaining the growth that this sector has witnessed in the past two decades.

A TERRITORIAL APPROACH TO FOOD AND NUTRITION SECURITY POLICIES: EVIDENCE FROM THE AL-GHAB REGION

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According to FAO definition, “Food and nutrition security exists when all people at all times have physical, social and economic access to sufficient and safe food that meets their dietary needs and food preferences for an active, healthy life, coupled with a sanitary environment, adequate health services and care”¹. On the basis of this definition, food and nutrition security (FNS) is considered by FAO a four-dimensional concept that includes: (i) availability of food; (ii) access to food; (iii) nutritional quality; (iv) stability of availability and access. The implicit assumption of the territorial approach presented in this paper is that FNS is a complex socio-economic development concept that can not be addressed through a sectoral approach but rather through a multi-sectoral approach able to reflect the multi-dimensional and cross-sectoral nature of food and nutrition security and capture the cumulative effect of all the determinants of FNS. This paper argues that the territorial/place-based approach provides a suitable framework to more effective and targeted FNS policies as much as food and nutrition security of households is strongly influenced by place-specific features, or the territorial capital, such as formal and informal institutions, natural, productive, social and knowledge capital as well as culture, tradition and value, that are often times underestimated in national policies. In this paper the relation between household food and nutrition security and the territorial capital is investigated. Determinants of FNS are identified based on the indicators obtained from the LSMS household survey of the Al-Ghab region (Syria). The objective of this analysis is to assess the role of territorial assets in promoting FNS through an endogenous development perspective. Starting from the survey data, aggregate indicators are constructed for each one of the 132 villages of the region. In addition, grounding on above mentioned multi-dimensional conceptualization proposed by FAO, an composite index of FNS is built. Preliminary Exploratory Spatial Analysis is carried out to detect any spatial clustering, hence, spatial concentration of villages with high values of FNS. The indicator is employed as the main dependent variable in the econometric model and is linearly related to the territorial capital characterizing the villages by extending standard cross-section methodologies to account for spatial heterogeneity and spatial spillovers, accordingly. The territorial capital is measured by nine macro-indicators (pillars) describing the economic, social and environmental conditions of the territory. The economic dimension is defined on the basis of labour market efficiency, sectoral diversification of the economy and tertiary specialization, while the social dimension is related to education, social safety nets, poverty and inequality, housing infrastructures. Environmental risk pillar includes the risk of floods and droughts of an area and farmers difficulties to expand due to pest, animal diseases and soil quality. The results of the analysis highlight two important facts. On the one side it is confirmed that large territorial disparities exist between territories both in terms of FNS and territorial assets, thus suggesting that place-specific resource endowment should be properly addressed in the design of FNS policies. On the other side there is a strong correlation between territorial assets and FNS. In particular, one major finding of the study confirms that economic diversification is generally positively associated with higher level of FNS. It also shows that high FNS levels are strongly associated with efficient labour markets and to higher levels of education.

COMBINING KNOWLEDGE BASES – THE EMERGENCE AND GROWTH OF NEW MEDIA IN SOUTHERN SWEDEN

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This paper examines the possibility to stimulate cluster development by combining different types of knowledge bases. Departing from the concept of related variety we develop a theoretical framework that highlights the relation between cluster evolution and knowledge base combinations. The empirical part of the

paper deals with the development of the New Media cluster in Scania, southern Sweden, in which innovation involves a combination of creative design and modern communication technology. The emergence of the cluster in the early years 2000 was triggered by an initiative of local policy makers, who, in order to renew the existing industrial structure, decided to promote the development of creative industries. The policy strategy was to combine existing competences in traditional media and mobile communication technologies, which both hold a strong position in the region, and to form a cluster around the theme of New Media. While the public sector served as an important trigger in the phase of cluster emergence, the growth of the cluster today is driven by a strong private sector engagement and by a general shift in the mobile communication industry from hard- and software development towards more design oriented activities. It is argued in this paper that despite the differentiated nature of the underlying knowledge base, a combination of analytical, synthetic and symbolic activities can fuel dynamic innovation processes and eventually lead to sustainable regional advantage.

Gateway A

INSTITUTIONAL CONTEXT AND CLUSTER EMERGENCE: THE CASE OF BIOMASS BASED INDUSTRY IN SOUTHERN SWEDEN

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According to some scholars in EEG, the role of (territory-specific) institutions is small for explaining where a new industry emerges and grows as firms develop routines in a path-dependent and idiosyncratic manner (Boschma and Frenken, 2009). This paper takes stock with this assertion by studying the evolution of cleantech cluster in the region of Scania in Southern Sweden, with a particular focus on biomass based activities. Biomass is considered as a crucial resource for the future production of environmentally friendly fuels, power, heat and other materials, and technological development in this area has made substantial progress during the last decades. In the region of Scania, regional public policy has been actively promoting the cleantech industry, arguing that this is an emerging cluster. Drawing on literature from EEG and socio-technical transitions, the paper seeks to unpack the evolutionary process that has led to the emergence of this industry. In particular, the paper studies to what extent territory-specific institutions have mattered, or not, for its emergence. The analysis is case based drawing on in-depth interviews with key stakeholders and firms in the cluster and is supported by descriptive statistical approaches. The paper seeks to make a contribution to our understanding of cluster development from a co-evolutionary perspective involving technology, industry dynamics and institutions without making a-priori decisions about its determining factors.

Gateway A

MODERN REGIONAL INNOVATION POLICY

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This paper analyses the evolution of regional innovation policy into the mainstream of public policy. The paper examines the empirical and theoretical developments which have shifted much of the focus on innovation related issues to matters of economic geography. As well as academic material we also review the literature on the subject produced by the international development institutions. In terms of policy, special attention is devoted to the role of local market failures and local institutions in explaining the importance and need for regional innovation policies, and the advent of the smart specialisation agenda is discussed. Finally, the paper discusses the current regional innovation policy tools and interventions observed around the world which are seen by international institutions as examples of best practice.

ASSESSING TERRITORIAL IMPACTS OF THE EU COHESION POLICY IN PORTUGAL (1990-2010) WITH THE TARGET_TIA

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Portugal joined the EU in 1986. Soon after, it started to receive financial support to mobilise its territorial capital (1986-1988). Yet, it is safe to assume that the reform of the EU Cohesion Policy, introduced in 1988, and put forward in the first multi-annual programming cycle (1989-1993), marks the beginning of the EU Cohesion Policy in Portugal, with a more consistent framework and an increasing involvement of regional and local partners. Since then, Portugal received almost 70 billion Euros, distributed along four programming cycles (1989-1993; 1994-1999; 2000-2006 and 2007-2013), and with the main goal of promoting territorial development and achieving territorial cohesion, and also to catch up the more socioeconomic developed EU Member-States. In this context, we decided to assess the territorial impacts of the EU Policy impacts, during the last two decades (1990-2010), by developing a model (TARGET_TIA), which builds on the main dimensions of the territorial cohesion concept (socioeconomic cohesion, environmental sustainability, territorial governance/cooperation and polycentricity), and their related components. This model uses both quantitative (territorial cohesion index) and qualitative elements (interviews and document readings), in order to provide a classification of the territorial impacts of the project/programme/policy which is being assessed. This classification ranges from -4 (highly negative impacts) to +4 (highly positive impacts). Yet, unlike the TEQUILA model, it aims to bring a multidimensional approach of territorial impact assessment, by complementing the Positive/Negative remarks, with the Exogenous/Endogenous, the Multiplying/Substitution, and the Sustainable/Endogenous effects. In the following, the average result of all those four evaluation elements is adjusted with a regional intensity, and a regional sensibility factor. This analysis implied a vast collection of data, from the EU Cohesion Projects approved in Portugal until 2010, to the reading of all the available evaluation reports and other information sources (papers, books), and the realization of several interviews, both with regional and national actors with profound knowledge of the EU Cohesion Policy process in Portugal, including several academics, as well. With this approach, and considering that the evaluation of the territorial impacts was implemented at the national level, we reached the basic conclusion that the territorial impacts of the EU Cohesion in Portugal, although positive, were far less significant than previously expected. However, needless to say that this result varied quite a lot in all the four dimensions analysed. In sum, the environmental sustainability, together with the socioeconomic cohesion dimensions, was clearly the one with the most positive territorial impact value. Also, the territorial governance/cooperation dimension got a quite acceptable level of territorial impact in our proposed model. The polycentricity dimension, even though it got a positive value, due to the important investments in the territorial connectivity it was strongly impaired by lack of a spatial planning approach, which favoured a dispersed and monocentric urban arrangement.

SOCIAL INNOVATION AND SUSTAINABLE DEVELOPMENT

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This paper discusses social innovation and sustainable development as two approaches that can jointly contribute to the formulation of more harmonious human-environment relationships to address the problems of an unsustainable world. Sustainable development is seen as a multidimensional approach that considers the social, economic, environmental, cultural and institutional aspects of human-nature interaction. However, this multidimensionality can be a weakness, as policymakers and practitioners tend to artificially disconnect its key ingredients into separate standalone 'pillars'. We believe that a social innovation perspective to sustainable development can help overcome this disconnectedness. Social innovation, in this context, relates to how individuals, groups and communities can take action in response to the problems of unsustainable practices and unsatisfied social needs while also focusing on the challenges of environmental degradation and climate change. As such, social innovation offers a perspective to help develop sites for grassroots movements and mobilization across different scales. However, social innovation literature has in general been inattentive towards issues related to sustainability, which has often been considered an implicit objective of any socially

innovative action. We believe that sustainable development agenda should be made more explicit in social innovation research, policy and actions. This is because social innovation and sustainable development, once considered in conjunction, can offer clear directions towards a more sustainable living. In conclusion, we stress the need for a more integrated approach to socio-environmental governance rather than a limited view to multidimensionality that prevails in the conventional definitions and conceptions of sustainable development.

Gateway A

INVENTING NETWORKS: THE EVOLUTION OF INVENTOR NETWORKS IN THE RESEARCH TRIANGLE PARK

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Regional networks are needed to support collective learning processes that underlie inventive activity. Despite their importance, there have been few studies that consider how networks evolve and develop the properties that contribute to knowledge generation. Ter Wal (2011) conducted a retrospective study to analyze the evolution of networks of inventors in ICT and life science in the research park of Sophia Antipolis in Southern France. He constructed the network based on inventors listed on patent and compared geographical orientation of links, clustering coefficient, average path length and share of main component of ICT and life science over time. We apply his framework to networks of inventors in the Research Triangle Park (RTP) in North Carolina using USPTO data from 1980 to 2006. Both places have a similar history. Outward oriented branch plants of US based multinationals in ICT and life science shaped their beginning. Later, both parks showed signs of endogenous growth dynamics. Ter Wal (2011) found collective learning processes in ICT, but not in life science. He argued that (missing) spin-off processes were responsible for this difference. In RTP, preliminary results also showed stronger indicators for collective regional learning processes in ICT than in life science. But both industries experienced extensive spin-off processes. Furthermore, the regional network in ICT rapidly grows by connecting dispersed components, while it forms around an organically growing main component in life science.

Gateway L

MOBILITY OF SCIENTISTS AND THE DEVELOPMENT OF INTERNATIONAL, INTER-DISCIPLINARY AND INTER-SECTORAL NETWORKS

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This paper is a study of the development of international, inter-disciplinary and inter-sectoral collaboration networks amongst internationally mobile scientists, based on an evaluation of the impact of Marie Curie Fellowships, with data drawn from interviews with current and former Marie Curie Fellows who completed their fellowships under the European 4th, 5th and 6th Research Framework Programmes. Based on semi-structured qualitative interviews, the paper examines the nature of collaboration networks that developed during the course of the Marie Curie Fellowships. It draws on social networks literature, notably Granovetter's work on strong and weak networks, and Burt's work on bridging and bonding networks. It is argued that strong networks facilitate information exchange but that weak networks are more likely to provide access to new ideas. The existence of structural holes or non-redundant ties enables actors to act as information brokers, combining information from different actors in a network. In science, it is argued that collaboration and interdisciplinary research are increasing. Inter-disciplinary collaborations allow new research directions to develop. A number of authors argue that scientists get their best ideas by collaborating with people from other disciplines, a process described as 'bridging' or 'spanning' networks to search for new ideas, and 'building' networks around these new ideas. The diversity of partners also implies increased inter-sectoral collaboration. The commercialization of science has also been shown to have increased in recent years, with increasing university-industry links. The development of inter-disciplinary and inter-sectoral collaboration is facilitated by international mobility of researchers. The paper compares the development of new and the reinforcement of existing international, inter-disciplinary and inter-sectoral networks during the course of Marie Curie

Fellowships. The results demonstrate the two processes of bridging networks, where exposure to new approaches to research in different countries allowed new insights, and building networks around these new ideas, more likely to lead to incremental developments in the research field. New inter-disciplinary networks developed as a result of a fellowship in a different country were most likely to produce novel ideas and allow the development of new research directions. This often also involved researchers increasing their knowledge of the application of their research in industry and other sectors. However, it was often not clear to what extent this new knowledge would be exploited in the longer term. On the other hand, the development of existing networks, although less likely to produce novel insights, was important for the building of a community around new ideas, and the consolidation of results, which might lead to the development of research disciplines over time.

Gateway A

STRATHCLYDE'S TECHNOLOGY AND INNOVATION CENTRE IN SCOTLAND'S INNOVATION SYSTEM; INTEGRATION, COMPLEMENTARITY AND RELEVANCE

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The development of a network of Technology and Innovation Centres (TICs) in the UK is a topic which has received increasing attention from policymakers in recent years. Interest has been driven partly by relative underperformance in macro-level measures of innovative performance, and partly by the demonstrative success of TICs in other national economies (of which Germany's Fraunhofer Gesellschaft model is prominent). The Strathclyde TIC, under construction as of 2013, is Scotland's response to this development. It represents a statement of intent in a region which has a relatively weak innovation system and low critical industrial mass. Comparative studies have demonstrated that TIC success is difficult to achieve. TICs must optimise multiple 'success factors', ranging from personnel management (internal), to market responsiveness (negotiated), to stable policy and consistent funding (external). The Strathclyde TIC's imperative is to enhance Scotland's national innovation system in a manner which is complementary to existing innovation activity, avoids unnecessary replication of research (especially if it is already being undertaken by other publicly-funded organisations), aligns with public policy, builds upon existing comparative advantage, ensures sufficient buy-in from industry, and achieves and maintains economic and industrial relevance. In this context, the focus of this paper is the development challenge faced by the Strathclyde TIC with regard to its integration and successful operation in the Scottish Innovation System (SIS). It seeks to present an analysis of the challenges which Scotland's TIC faces in a distinct national economic context and is based on two main bodies of theory - innovation systems theory and innovation network theory. The research approach is based on documentary and interview-based profiling of the (pre-)existing SIS, combined with the application of lessons learned from successful comparator TICs in other countries. The analysis in this paper centres upon the premise that the 'disconnect' in Scotland's SIS - the documented existing gap between net knowledge generators and net knowledge users - could be alleviated by an institution which would assume a bridging/mediating role, but that this would depend on its performance in three areas. The first is network position, as defined by relational linkages with other actors (industry, government and higher education) in the SIS. In the case of TICs such as Strathclyde's, which aim to have a national impact, there must be numerous knowledge transfer and exchange mechanisms which enable contribution to 'region-state' innovative performance. The questions applicable to the TIC will be whether or not it can build such linkages sufficiently, and whether it can situate itself optimally within innovation networks. The second area is function, as defined by the processes which the TIC would undertake and the research themes which it would adopt. The former must be driven by the needs of industry. The latter have already been decided on the basis of the sectors in which Scotland already has competitive advantage (notably energy), or in which prospects for future market potential are judged to be strong, but resources must not be diluted by overambitious thematic scope. The pertinent questions here relate to whether the TIC can flexibly align its functions to Scottish industry needs, and whether it can adopt sustainable research themes. The third area is strategy, as defined by the management and calculated orientation of the TIC. Success in advancing national innovative performance requires a focus upon emerging technologies which would not typically be pursued by industry actors. To do so, the governing strategy must be anticipatory, meaning that TICs need to anticipate technology trends in the medium to long term - a consequence of the paradigm shift away from 'technology push' and towards 'innovation pull'. The TIC must address the questions

of whether or not strategic alignment with Scotland's development policy can be achieved, whether technology trends can be proactively addressed, and whether an anticipatory stance can be established.

Gateway F

REGIONAL CITIZENSHIP – CAN WE, AND WHY SHOULD WE STUDY PROCESSES OF REGIONALIZATION THROUGH THE LENS OF CITIZENSHIP?

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The current wave of European sub-national regionalization has become a key process for understanding contemporary political development. The regions importance for development, growth, welfare and identity has become increasingly emphasized both in public policy as well as within the academy. This paper aims to contribute to the on-going discussions of how the concept and the practices of citizenship can be understood in a context where traditional Westphalian, liberal democratic notions of citizenship is challenged in different ways. Processes of globalization and regionalization have led to a need to re-conceptualize our understanding of contemporary citizenship in a way that transcends the formal, rights-oriented and national notion that has dominated the field. As political communities above and below the national become stronger, processes of identity, political action, governing, inclusion and exclusion need to be studied beyond the national. As a result of this need, new concept such as post national-, urban-, multi level-, and cosmopolitan citizenship has gained some scholars interest. These concepts study in different ways both formal and substantive aspects of citizenship and arguing for the importance of a broadening of the traditional understanding of contemporary citizenship. The paper will discuss the concept sub-national regional citizenship with a point of departure in in traditional notions of citizenship. The concept will however be developed with inspiration from discourse theory and discuss how power relations that are produced in sub national region building processes can be studied through the concept of regional citizenship. The concept will be developed to use citizenship as an analytic tool for analyzing how contingent practices of citizenship can be studied in relation to region building processes. This will also be empirically exemplified with examples from Swedish regionalization in order to show how the process of building regions also can be understood as productive for basic aspects of a substantive citizenship.

Gateway G

ETHNOGRAPHIES OF EUROPEAN SPACE MAKING

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The reorganization of European political space is among the central questions in contemporary European Studies. However, the nexus between spatial planning and geopolitical aspirations for building a singular 'EU-space' is under-examined in the growing literature on European space making. This is striking, given that the EU's emerging spatial planning is explicitly engaged with (re-)producing the territory of the EU. In particular, the EU act as a catalyst for various spatial ideas and knowledge related to the territory of Europe. This paper aims at developing an ethnographic approach for exploring the governmentalities of European space making. We explicate policy transfer processes within the field of European spatial planning and suggest some theoretical and conceptual ways through which the role of transnational policy networks in transferring and forming certain common senses related to European space might be explored intensively. In so doing we aim at increasing the understanding how the EU practices a distinct politics of scale by professing specific geographical ideas of Europe. This potentially increases our micro-geopolitical understanding of the ways in which Europe is produced in spatial planning discourses and practices.

THE OUTSET OF CLUSTER POLICIES: NEW CORPORATIVE STRUCTURES IN GERMANY AND THE NETHERLANDS

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Institutional arrangements of regional innovation policies have an interesting territorial dimension. Like the regional economy itself, organizational structures set up to stimulate regional development show a wide variety. This paper investigates this variety by comparing a Dutch and a German region. It will explain how similarities and differences between the institutional arrangements are connected to regional and national traditions of organization, corporation and policy making. Through the lens of institutional development, the comparative approach raises our understanding of the connectivity between policies and territories. Because cluster policies play a dominant role in economic politics nowadays, the paper focus on business clusters, which include a set of interrelated economic activities which are geographical concentrated. The cluster concept is popular because it gives stakeholders an idea of how to stimulate economic development and innovation. Growth and economic renewal can be encouraged by close corporation between entrepreneurs, knowledge institutes, politicians and policymakers, among others. It is thought that corporation on specific clusters between actors from different domains of society will increase productivity and open possibilities for new products and services. The economic cluster concept is more than a short-lived buzz word of policymakers. Behind the cluster approach, a deep rooted change of industrial economic policies can be found. This makes it interesting for the investigation current relationships between territorial politics and changing institutions of regional policies. The paper will investigate the interrelated processes of economic-intellectual transformation and new corporative structures from the 1980s onwards with the help of two regions: the Northern Netherlands and Northwest Germany. Both regions have a long tradition of regional economic policies, on a regional and national level, with the involvement of the European Union as well. From the 1980s onwards, economic policies in both regions were testament to a process of institutional change. New economic ideas stimulated innovation policies aimed at economic activities with regional potential. The organization of economic policies shifted from bureaucratic structures to corporative structures: politicians and policymakers cooperated with various partners on special themes of economic importance. This approach needed specialized knowledge, and therefore knowledge institutes were given a considerable role in the search for regional development. Two sets of questions will guide the research. The first set of questions is aimed at the main drivers of regional policy changes. How can we grasp the changes from bureaucratic institutions directed towards industrial policies towards more corporatist institutions aimed at innovation? What are the economic-political drivers behind this process? What are the similarities and differences in the way how both regions understand cluster policies? The second set of questions investigates the success of the new institutional arrangement form the perspective of contemporary cluster policies. How have regional and national traditions affect the organization and corporation between various actors? What is the influence of local governance structures, how do regional institutions and methods of working affect different kind of cluster policies? Can we see differences in the success of cluster policies in the two regions? There are some interesting differences between the Dutch and German regions indeed. In the Northern Netherlands, the implementation of policies aimed at strengthening economic clusters was more detailed and concrete, compared to the cluster approach of Northwest-Germany. Because of the small size of the Netherlands and the political system, contacts between regions and the center are relatively easy, thus enhancing the process of interaction, whereas the distance in larger countries such as Germany is bigger. This conclusion points at the relevance of the territorial dimension in institutional structures. The interaction between the regional and national level of administration and the way how entrepreneurs and knowledge institutes are involved in the policy process, have an interesting territorial dimension which influences regional policy arrangements.

SIZE OF PUBLIC SECTOR AND LOCAL PRIVATE SECTOR RESPONSES: EVIDENCE FROM UK SPATIAL-OCCUPATIONAL DATA

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This objective of this paper is to provide empirical evidence on the impact of public sector employment on local private-sector wages and, on the basis of this, to help shed light on the mechanisms and labour market processes that underlie this relationship. In theory, public sector employment can have a range of effects on the private sector, either by affecting directly the wage levels offered there (e.g., through mimicking) or by shifting demand and supply for labour in that sector. For example, public sector employment may be associated with more vibrant and more stable consumption, thus stimulating indirectly private-sector labour demand. Instead, it may have a crowding-out effect, for example by increasing office costs, with adverse effects on private-sector labour demand. Changes in supply are also possible – and can also go in both directions: either through ‘creaming-off’, by the public sector, of a limited labour supply or through the functioning of transitional labour markets (people moving from inactivity into private-sector jobs in order to ‘queue’ for a public-sector job). Because of this diversity of possible effects, the true relationship between public sector employment and private-sector labour market outcomes remains largely unknown – indeed, examination of this issue in the literature has only recently gained a noticeable momentum. This paper seeks to contribute to this literature by employing a methodological approach developed in the ‘social returns’ literature (e.g.: Monastiriotis, 2002; Moretti, 2004), which relies on Mincerian wage equations (to control for compositional differences in labour force characteristics across regions) where public sector employment enters as an additional ‘environmental’ variable. Exploiting the three-way variation of our rich dataset (across temporal, spatial and occupational lines), we are able to identify the impact of public sector employment on private wages across regional economies as well as within broad and narrow occupational groups. By doing so, we are able to separate between demand and supply effects and thus to identify the mechanisms that trigger the observed wage movements in the private sector.

EXPLORING THE EFFECT OF A REGIONAL INCUBATOR PROGRAM IN A PERI-URBAN REGION

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Regional development initiatives aimed at promoting economic development within regions in the near surroundings of metropolitan cities face special challenges and opportunities, which are seldom investigated. Here labelled as peri-urban, these regions have in many developed countries transformed into dormitory areas, where the economies are characterized by the residence of a large share of commuters and consequently an economy based mostly on local services (Bertrand and George-Marcelpoil 2005), while agriculture and manufacturing continue to play a smaller role. Knowledge-intensive employment has however concentrated in urban areas, making peri-urban regions vulnerable to continued offshoring of manufacturing jobs and resurgent urbanization. This has called upon policy makers to create new initiatives that promote more diversified economic development within peri-urban regions. The purpose of this article is to explore and study the effects of one type of development program within such a region, being a regional incubator program for entrepreneurs. It is widely accepted that entrepreneurship is an important factor in explaining regional economic development (Acs and Armington 2004; Audretsch et al. 2006) and incubators are seen as tools for promoting entrepreneurship and consequently promote economic development (Phan et al 2005). The article focuses on a specific case, an incubator program called the Growth Factories, located outside the city of Copenhagen, specifically within Region Zealand. The region is as many other peri-urban regions characterized by little knowledge-intensive employment and few growth entrepreneurs. The Growth Factories physically consist of ten office spaces placed within different municipalities of Region Zealand, and are linked to local business friendly authorities. The Growth Factories program is further coupled with a 1.5 to 3-year growth programme for the entrepreneurs, including support from business consultants, mentors, educational

activities and access to formal and informal networks. The paper applies an explorative approach, with the purpose of learning more about composition of entrepreneurs within the incubator, their background, perceptions, and ambitions. Entrepreneurs currently taking part in the incubator program are surveyed using a questionnaire with closed ended questions. The questions are based on previous qualitative interviews with incubation managers and entrepreneurs. 100 responses are collected corresponding to 75% of the current incubatees. The study reveals several interesting results. Entrepreneurs within the incubator program do to some degree reflect the general industrial structure of the peri-urban region. Most entrepreneurs are establishing service companies, while only few are developing patentable products with the purpose of going into manufacturing. Many of the entrepreneurs focus on sales within the regional area and in this way reflect the peri-urban economic characteristic of abundant local services. However, the majority of entrepreneurs aim at sales beyond the local and regional borders, and are characterised by a high ambition level for organisational growth. Additionally the educational background of entrepreneurs located within the incubator is considerably higher, than the average educational level of entrepreneurs from the region, which suggest a high level of knowledge-intensity among the incubatees. The entrepreneurs especially value the network opportunities with other entrepreneurs provided by the incubator, but also relations with regional and local municipality business services are valued positively. The incubator program thus appears to form local hubs of high-ambition and knowledge-intensive entrepreneurs, where interaction and network among entrepreneurs and local authorities promotes knowledge-intensive entrepreneurial development, and creates externalities that mimic the beneficial externalities of the metropolitan economic environment. The results further have a general implication for regional developments policies aimed at territories outside of major cities. A substantial share of the entrepreneurs taking part in the incubator program are former urban employees, who embark upon the entrepreneurial process in their own area of residence. This indicates that it is possible for local authorities to shift the occupational activities of urban commuters from the urban territory to the peri-urban territory by providing the right incentives for entrepreneurship.

Gateway M

THE IMPACT OF PUBS ON SOCIO-ECONOMIC ACTIVITY AND COMMUNITY COHESION IN RURAL PARISHES: A STUDY OF NORTHERN ENGLAND

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In the UK, pubs are often seen as hubs for social interaction. The role of pubs is particularly prominent in villages and rural areas, where they play an important role in the stimulation of socio-economic activity. In such areas, pubs provide fertile ground for community cohesion and are often at the epicentre of wider community activities such as local sporting events, galas, and local business activity such as markets. Previous research conducted in Britain (Cabras and Reggiani 2010, Cabras 2011, Cabras et al 2012) has demonstrated that pubs in rural areas have a positive influence on the socio-economic activity of local communities. The aim of this paper is to expand prior research to include an economic analysis of all parishes in Northern England, seeking to reaffirm the positive impact of pubs on socio-economic activity. In particular, we extend our analysis to assess whether the presence of pubs has an impact on community cohesion in rural parishes. Our analysis covers three regions in Northern England – the North East, North West, and Yorkshire and Humber regions. A database of secondary data at the parish level was compiled to facilitate such analysis. From this data, we derived two econometric models to test the impact of pubs on two important factors, namely socio-economic activity and community cohesion. Ordered probit regressions are used to estimate the proposed econometric models and evaluate the impact of pubs. Results show that consistent with previous research, village pubs have a positive impact on the socio-economic activity of local communities. Similar results are expected to emerge with regards to the impact of pubs on community cohesion in rural parishes. These findings have strong implications for the future development policy and maintenance of regional economies in rural England. Despite the positive effect pubs have on the level of socio-economic activity and community cohesion in rural parishes, there has been a consistent decline in the number of British pubs over the last few decades (BBPA 2012). The rise of pub chains and theme pubs, tougher drink driving laws, rising prices, and the smoking ban have all helped contribute towards this decline. Results from study seek to contribute to previous research that suggests that there is a strong case to foster the sustainability of pubs in rural areas, as these places represent a strong part of local economies. Since pubs act as incubators for wider social activities such

as sporting events, galas, and business activities, they are important businesses to consider with regard to the economic and social stability in rural England.

Gateway E

BRIDGING THE GAP: COMMUNITY INITIATIVES IN CENTRALISED MUNICIPAL MANAGEMENT MODEL. CASE OF KYIV

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Recent global economic crisis has ignited disputes about the best governance solution that would enable the country and city to tackle its negative effects and harness the opportunities presented by the crisis. Examples from around Europe and world demonstrate that decentralisation of powers and greater authorities given to local and regional self-governments and elected leaders is more effective model than vertical hierarchy controlled by central government. Enabling local initiatives and projects that would address local challenges is the path many countries have chosen. At the same time grass-root community initiatives that are tackling social, environmental, cultural, economic and humanitarian aspects of city development are greatly encouraged. These are proving to be successful in the aftermath of crisis and in the realities that are presented by increasing pressures on environment, natural and human resources, sustainability and stability. Partnership between central government, local self-government, private and non-governmental sectors is often crucial when resources are scarce and the interests of various stakeholder groups are diverse and sometimes diverging. Matching financial and intellectual resources, finding compromises, reaching to residents and delivering best solutions for local needs are crucial outcomes of such collaboration. Kyiv – capital city of Ukraine – is experiencing somehow opposite trends in governance system, when more and more powers are being re-possessed by central government. Local self-government is gradually losing its powers and financial leverage, and becoming more dependent on the President, his Administration and Cabinet of Ministers, as well as regional government office (city state administration). It is fair to say that overall administrative system in Ukraine is centralised with very few authorities and powers granted to the regional and local self-governments. However large cities have relatively greater autonomy from surrounding regions and central government; they are governed by elected mayors and local councils that take and implement decisions on socio-economic development of their cities. At the moment capital city of Kyiv is in unique position since having the most advantageous legal and financial situation it is enjoying the least effect from it. Lack of elected mayor (de facto from 2010) and reluctance of ruling party to schedule elections due to fears of losing political control over the capital city also means that Kyiv residents don't have devoted and vocal representative and defender of their interests. Kyiv has leadership vacuum and no instruments to fill it in officially. At the same time there is growing number of community initiatives that are spurred by passiveness of city municipal leadership and lack of official position and projects that would address issues that are important for Kyiv residents. These initiatives are usually non-political and aimed at addressing specific challenges; from defining the place of Kyiv and its 'brand', to urban planning, defending historical legacy from uncontrolled developers, to supporting hospitals and schools that lack appropriate financial support, to unlocking business potential and creativity of city, etc. This paper analyses the shifts in governance system of Kyiv that have happened over the last several years. The consequences of crisis are grave and the reforms that are needed to bring city back to its competitive edge are long delayed. Municipal leadership is poor and central government has unprecedented control over the life of city. However new forms of community initiatives that bring together private and non-governmental actors are becoming widespread and for the city council and administration ignoring them is not an option anymore. Finding the ways for constructive collaboration in currently over-centralised system is a challenge that needs solution.

THE APPLICATION OF THE GIS-BASED MULTI-CRITERIA ANALYSIS IN SPATIAL PLANNING. A CASE OF WATER RESOURCES MANAGEMENT IN THE POZNAN METROPOLITAN AREA

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The European water policy is based on the principles of Integrated Water Resources Management, assuming e.g. that a hydrographic catchment constitutes the primary area for all planning and decision-making activities. In turn, the system of spatial planning in Europe is based on administrative boundaries, hindering a holistic approach to water resources management within the limits of catchments. Frequently there is a lack of cooperation in terms of water resources management between communes or regions within one catchment. In Poland spatial planning comprises three levels: local (communes), regional (provinces) and national. In contrast, planning in water management in practice is executed at only two levels. The basic problem in the coordination of these two scales of action is connected with the boundaries of areas covered by planning. Poland is divided into 16 provinces (i.e. administrative regions) and 7 water regions (Regional Water Management Boards). The foundation for spatial development is the administrative division, while water management is based on the division into areas of river basins, water regions and catchments. The objective of the paper is to analyse the system of spatial planning in Poland in terms of incorporation of the needs of flood control and drought prevention based on improvement of natural water retaining capacity of catchments. Moreover, an attempt was made to apply the GIS-based Multi-criteria Analysis at the local and regional levels in order to provide sustainable water resources management in a river catchment. The objectives will be realized for the catchment of the Skorzynka River covering about 10 km² localized in Poznan Metropolitan Area, where the intensive suburbanization process takes place. Moreover this area is also a zone of the highest necessity of small water retention development in Poland. At present documents connected with the Floods Directive are also needed, which have to be incorporated in all spatial planning documents in Poland. However, it needs to be remembered that the development of new planning documents particularly at the national or regional level typically takes several years. Five years passed from the decision on the initiation of the procedure to pass a new regional spatial development plan to its approval. The situation at the national planning level is even worse. Decision support systems are useful and basic tools in modern spatial planning. Moreover, using land registry data programmes may be developed for the implementation of individual measures specifically identifying the target group, for which special incentives and training materials may be prepared. An important role may be played by local and regional development programmes.

STRATEGIC ORIENTATION AND AGENCY - A PRACTICE-BASED PERSPECTIVE ON KNOWLEDGE CREATION

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One of the central issues in the past decade's discourse in regional studies has been knowledge creation. Although the literature focused on knowledge creation covers a wide range of different approaches, one can recognize two common features on these studies. The level of analysis has been more often than not, at the meso- or macro-level (organizations, networks, institutions etc.) and the key concept, knowledge, has considered only with rationalistic approach leaving aside other possible theoretical interpretations on knowledge. Keeping these features in mind this paper has two starting points. First, if we want to understand knowledge creation processes we need to shift a focus from meso- and macro -levels to micro -level knowledge creation processes and then look at how these processes are embedded in various layers of social and organizational contexts (Howells 2012, Rutten 2004). Second, if we want to understand the knowledge creation processes we need carefully define and articulate what the key concept, knowledge, is. (see also Howells 2012). The aim of this paper is twofold. The first aim is to build a framework for the micro-level analysis of knowledge creation utilizing different theoretical approaches of knowledge, learning and knowledge creation. The second aim is to analyze empirically different kinds of strategic orientations towards knowledge creation adopted by the actors in the emerged, cross-disciplinary field of regenerative medicine. In

this paper, I use a practice-based perspective, which means that the focus of the study is on 'what people 'actually' do' in the processes of knowledge creation. Practices are defined as stabilized, routinized or improvised social actions that constitute and reproduce social relations and economic space, and through and within which actors and communities embed knowledge, organize production activities, and interpret and derive meaning from the world (Jones & Murphy 2010). The 'doings' of actors are captured with the concept of 'strategic orientation'. Strategic orientation refers here to the actors' intentional and behavioral orientation toward knowledge creation and coordination in a social context (see also Obsfeld 2005). The key concept of this paper is knowledge. Knowledge is one of the ambiguous words, with different definitions and numerous theories to explain it. In this paper, I take an approach to knowledge and knowledge creation that takes into account the various approaches on knowledge. This means that knowledge and knowledge creation is understood as a three-faceted composition: 1) knowledge as content, which means the corpus of knowledge that does not belong to any particular individual or context. In this way, knowledge is equated to a substance that can be 'sent', 'received', 'circulated', 'transferred', 'accumulated', 'converted' and 'stored'. Learning is treated as the acquisition of the body of data, facts and practical wisdom. 2) Knowledge (or knowing) as a set of knowledge-productive practices and processes. Knowledge is acquired through some form of participation in a community of practice. Participation in a practice is on the one hand a way to acquire knowledge in action and on the other a way to change/perpetuate such knowledge and to produce and reproduce social relations and society. 3) Knowledge as a relation to a knowing subject, where cognizing unit is individuals-in-interactions, which means individuals who are co/interdependent on one another's knowledge. Learning is seen as a process of knowledge creation which concentrates on mediated processes where common objects of activity are developed collaboratively. (Yakhlef 2010, Paavola & Hakkarainen 2005, Gherardi & Nicolini 2000, Corradi ym. 2010.) The empirical case of the study is the emerged cluster of regenerative medicine in Tampere, Finland. Regenerative medicine refers to a group of biomedical approaches to clinical therapies that may involve the use of stem cells (Riazi, Kwon & Stanford, 2009). The analysis presented in this paper draws upon 30 face-to-face interviews conducted in research organizations and firms related to the advancement of regenerative medicine in Tampere. The main findings of the paper concern three different kinds of intentional and strategic orientations of actors. This kind of activity produces and reproduces the social context, which emphasize the fact that individuals are engaged in multiple networks and communities both at the regional and global levels.

Gateway D

CONSIDERING THE EXTENT OF YANGTZE RIVER DELTA REGION, CHINA: PAST, PRESENT AND FUTURE

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Be marked with the opening up and development of Shanghai in 1990, Shanghai and its surrounding cities . the Yangtze River Delta Region (YRD) . have been more and more embedded in the global market. On one hand, the global enterprises have considered this area as the important sources of raw materials, places of manufacturing, regional control and management centers and remarkable markets . more than 400 of the Fortune 500 have located their branches there (Wu, 2010); one the other hand, those cities have more and more depended on the exportoriented economy [?] for instance, the annual increase rate of export amount of Shanghai from 1995 to 2005 has been 23.8%, of Suzhou has been 42.3%, and of Ningbo has been 25.9% (Tang & Zhao, 2009). But the extent of this region remains fuzzy in different levels: be marked with the [?]YRD 14[?]city cooperation meeting[?]h 1992, this region was perceived as 14 cities; in 1996, due to the administration adjustment, county[?]level city of Taizhou (Jiangsu Provicen) was separated from city of Yangzhou, and this region was composited by 15 cities; in 2003, city of Taizhou (Zhejiang Province) was admitted as new member on [?]YRD economic coordination meeting[?]h, then 16 cities; in 2004, the [?]YRD economic coordination meeting[?]h proposed the criteria to become a member, which would include 25 cities, and for the first time includes cities of Anhui Province, now there are 3 provinces involved; but this criteria did not have lots of follow[?]up news, and in 2008, the Chinese Sate Council announced in its document that YRD region was considered as 2 provinces (24 prefecture[?]level cities) + Shanghai, not including any cities of Anhui Province; But in March 2010, 6 new cities, including 2 are of Anhui Province, was admitted by [?]YRD economic coordination meeting[?]h; again in May 2010, in the <YRD regional plan> which was proposed by the National Development and Reform Commission, YRD was confirmed as 2 provinces (24 prefecturelevel cities) +

Shanghai and with the core area of 16 cities which was the definition of the YRD economic coordination meeting in 2003. The old question mentioned by Scott (2001) emerged: the national level and the local level (the YRD economic coordination meeting is the annual major seminar) seem to have different perspectives. The national level which has the decision-making power for infrastructures preferred a concept coincided with the administration boundary, while the local level which has the local administration power perceived a concept following the economic rules (the added cities of Anhui province are their perspective of new hinterland). Therefore it also has no consensus in the academic spheres, most mentioned YRD region are with 16 cities, some are with 2 provinces (24 prefecture-level cities) + Shanghai, almost no research refers to 22 cities. And that becomes the origin of this paper: what is the extent of this global city region? In which base, it would enlarge or it would shrink? What makes the cities work as one global city region are the economic interactions among them, and what greatly influences the economic flows are the infrastructures and political agreements. Thus the paper intend to examine the economic linkages among all mentioned cities [2 provinces (24 prefecture-level cities) + Shanghai + 2 cities of Anhui province and figure out the economic aspect of YRD region, then examine the infrastructure plan and political agreements . the political aspect. In order to examine the economic linkages, the paper would firstly look into the change of population and the amount of employments from 2006-2010, to draw the rough sketch of these cities; secondly, the paper would examine their functional relations through the employments of all sectors of each city; thirdly, the vertical firm links (headquarter . branches, method of Rozenblat, Pumain, 2007) of Fortune 300 (if they have the regional headquarter and branches in YRD region) would be examined to figure out the global economic linkage among these cities: they embedded in global market separately or through the regional network? What kind of network it would be: where is the extent? To sum up, the paper would reveal the current economic linkages (extent) of YRD region through 3 steps: medium level . the population and employment changes; medium level . functional relations; and micro level . city-linkages through firms aspects. Then the infrastructures plan and political agreements would be scanned and their influences to the economic linkages would be discussed. Lastly, the future extent of YRD could be forecasted a bit.

Gateway H

HISTORY CREATES THE IMAGE OR THE IMAGE MAKES HISTORY? CLUJ-NAPOCA, CHANGED BY ITS IDEOLOGIES AND INTERCHANGING POLITICAL POWERS

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The contemporary urban management is as much about the management of ideas, images and brands as it is about physical space shaping or traditional service delivery. Because of the increasing similarity of the regions and the growing competition between cities (on national and international scale) in attracting inward investment, visitors and retain residents the importance of image, branding and promotion became critical in their success. The increased urban entrepreneurialism applied to the spatial development highly contributes to the innovation of policies, fact which gives city promotion a significant status in the urban development strategies. However, the final "formula" for achieving successful place marketing, is very much affected by the correlation between two basic and very important elements - time and space. The historical past together with the interchanging political powers leaves its fingerprints and influences the place shaping, the creation of symbolic spatial representation and the evolution of urban development. Therefore, the aim of this paper is to analyse to what extent did the past century influence the urban development of an ethnically diversified post-socialist city as Cluj-Napoca and created the existent identity and image for this product. The uniqueness of Cluj-Napoca has always been reflected through the symbols of the city centre which were always connected, altered or created by the political power in place dependent on the rotation of two ethnic groups, Hungarians and Romanians. A dual core city centre of Cluj-Napoca was created and basically, the urban space shaping was built on strong symbolic nature. Further, the change of the political regime (between 1992 and 2004) is presented which came with an alternative space shaping attitude of the local government by creating symbols which represented a dominating nationalism. After 2004 the new local government adopted a new, neoliberal approach towards urban development distancing itself from the previous views and bringing such urban development measures which transformed Cluj-Napoca in a competitive European city facilitating actual place marketing and including city promotion as an important part of the urban development strategies. Finally, the constant endeavour to create a brand and image for Cluj-Napoca will be described supported by several

researches done on this topic concluding the research with establishing the successfulness of this process. It is important to mention that the most marketable assets of the city are its historical past, culture, university facilities and geographical position, these being the main elements representing the city's image and identity. However, the main question is: is the product ready and good enough to be promoted? How to shout its existence to Europe and the rest of the world?

Gateway P

SUSTAINABLE SOLUTIONS FOR SPATIAL AND TRANSPORT PLANNING IN METROPOLITAN REGIONS: THE CASE OF CATCH-MR

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Functionally the influence of the metropolises goes beyond their administrative borders and thus their development could not be planned without special consideration of their functional hinterland. In this situation two or more regions (metropolis and its functionally dependent hinterland - region) share the same problems, most often deriving from a daily commuting of people, living in the region, to their jobs in the metropolis. This process was enhanced by urban sprawl, where many people from the metropolises have left them and settled into functionally dependent hinterland, where land prices are lower and where they could afford their own semi-detached houses. To properly face the above mentioned problems different administrative units should coordinate their planning and search for joint solutions that could solve spatial and transport related issues. These aspects cannot be addressed separately as they are strongly interdependent and consequently require an integrated approach. In the paper situation in seven European metropolitan regions is described (Berlin-Brandenburg, Vienna-Lower Austria, Oslo-Akershus, Rome-Lazio, Budapest, Gothenburg and Ljubljana). All of them have participated in the Catch-MR project, where regular workshops were organized to discuss urgent issues and to exchange experiences.

Gateway H

REGIONAL DEVELOPMENT AND IDENTITY. CASE STUDY BEIUȘ LAND (ROMANIA)

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Six years have already passed since joining the European Union, but the regional development in Romania remains a difficult goal to achieve, proven by the small absorption rate of the European funds. The structural-institutional and legislative shortcomings, the insufficiently elaborated strategic framework, together with the lack of our country's tradition in territorial planning and the small amount of specialists, are slowing down the progress in this field, with visible territorial effects. The mobility of the persons, capital and information, not limited by the contemporary administration, requires the necessity to find a regional identity in „a Europe of the regions”. In a Europe of globalization and competitiveness though, Romania finds it difficult to find the regional specific elements which should allow it to position itself at the European level and to capitalize its development potential. Moreover, it is difficult to sustain a viable territorial construction, Romania still being in search of some territorial offcuts which should ensure a framework for development, both at the level of NUTS 2 (development regions) and of NUTS 4 (intra-communal structures of co-operation, intermediary between counties and communes and towns). With a population of 80.000 inhabitants living in 22 communes and four towns, polarized by Beiuș, its traditional urban centre, Beiuș Land corresponds, both dimensionally and functionally, to a territorial construction similar to the European NUTS 4. It is well known that the development of a regional identity is a deep social, spatial and historical (cultural) phenomenon, containing stable, changing, constructive and destructive elements. The regional identity of Beiuș Land has its roots buried deep in the past, the cohesion of this area being supported by the physical-geographical and historical-political factors, which favoured the bond between the human community and its territory of existence. Although having a long existence, individualized in the Middle Ages in the collective mentality of its

inhabitants, in the actual regional territorial construction the Beiuş Land does not exist under an administrative and institutionalized form. Beside Beiuş Land, in Romania are only 17 such mental spaces with a strong territorial cohesion where close bonds have developed between the human communities and their territories of existence. They can be turned into project territories of NUTS 4 level, being sufficient only the functionality and regional distinctiveness reasons. Under these circumstances, the present study intends to bring into focus those specific elements of territorial identity which, durably capitalized into a development strategy based on the regional territorial potential, might boost the regional development process of România at NUTS 4 level. The practical foundation of these conclusions is based on the case study performed by the authors between 2011-2013 on Beiuş Land as a project territory and pattern of regional development. Thus, this study minutely and analitically covers the elements which led, in time, to the regional identity of Beiuş Land. In order to durably capitalize these advantages of Beiuş Land, we propose a model of territorial development based on specific, authentic elements, well preserved during time, named the identity model of territorial development. Its construction is based on the analysis of the factors favourable to the regional development mechanism in a coherent, homogenous and functional area. Subsequently, it can be extrapolated to other “land-type” areas in Romania, thus contributing to the improvement of the territorial construction at the NUTS 4 level, as a support of the regional development policy.

Gateway K

MAINSTREAMING OF CLIMATE ADAPTATION AND MITIGATION IN THE DEVELOPMENT OF RURAL REGIONS

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Rural regions have to face the challenges of climate change and are asked to find ways to deal with its unavoidable consequences and to contribute to climate protection. Climate adaptation as well as climate mitigation play an important role in different sectors in rural regions: agriculture, forestry, energy production (especially renewable energies), tourism, nature conservation etc.. Therefore climate adaptation and mitigation are new tasks for many policies and their implementation instruments. For the rural development at regional level in Germany LEADER and ILE (“integrated rural development”) are significant funding instruments. As they are based on the bottom-up principle and a cross-sectoral approach, the elaboration and implementation of regional development strategies through the participation/ involvement of different public and private actors are characteristics of informal (non-statutory) instruments of spatial development. Currently, these informal instruments are highly discussed against the background of climate adaptation and mitigation and receive much consideration in academic research and in practice. Because of these characteristics informal instruments are supposed to be appropriate for managing the challenges of climate change and thus for contributing to a sustainable development. The participation of different actors, for instance, is considered to enhance the acceptance of measures to adapt to climate change and its uncertainties. In addition, the cross-sectoral approach of regional development strategies is supposed to allow an implementation of coordinated measures in different sectors. Against this background, the author raises the question of how climate adaptation and mitigation can be integrated in the funding instruments LEADER and ILE. The paper is based on the author’s PhD project that analyses four different regions in Germany applying LEADER or ILE (case studies) using qualitative methods of the empirical social research (semi-structured interview, documentary analysis). The aim of the paper is to demonstrate the challenges of mainstreaming climate adaptation and mitigation in the rural development. At first, the paper starts by introducing what role climate adaptation and mitigation already play in the development of rural regions. First results show that climate mitigation and especially adaptation are only of minor importance. In most cases they are seen as side effects by pursuing other goals. Secondly, the paper points out what options the funding guidelines for LEADER and ILE offer to promote climate adaptation and mitigation. Furthermore, a closer look on the implementation of the regional development strategies in terms of climate issues is necessary: What kinds of projects are put into action? Which actors have been involved and how do the actors handle the topic of climate adaptation and mitigation? Which influences affect the implementation of the regional development strategies? In order to answer these questions factors that promote or inhibit the mainstreaming of climate adaptation and mitigation as well as opportunities to implement climate adaptation and mitigation measures will be identified. Finally, on basis of the results, the paper gives advices for the adjustment of the

funding guidelines in order to improve the implementation of climate adaptation and mitigation by informal instruments of spatial development as LEADER and ILE.

Gateway P

PERI-URBANISATION AND SUSTAINABLE URBAN DEVELOPMENT

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An important driving force behind urban expansion is, of course, the growth of the urban population. But, talking about Europe, this is not a sufficient explanation. The major trend is that European cities have become much less compact. Since the mid 1950s European cities have expanded on average by 78 %, whereas the population has grown only by 33 %. The same trend – that urban areas expand approximately two times faster than the population – can be seen in the United States and China. There are many impacts of such rapid expansion. Referring to the European Commission urban sprawl is recognised as the most urgent of urban planning and design issues. Based on the results of the PLUREL* project the most important negative consequences are: • Consumption of land, loss of high-productive agricultural land • Destruction of biotopes and fragmentation of landscape structure and ecosystems • Less open space, longer distance to attractive recreational areas, and unhealthy lifestyles • Increase in the dependency of private car, traffic congestion, longer commuting times and distances, climate change emissions and air pollution • Decay of downtown areas; social segregation and larger gaps between rich and poor areas Development in peri-urban areas causes conflicts between urban, agriculture and nature values. It challenges the distinctions between urban and rural areas as applied in policies and regulations. The seven PLUREL case study regions** show examples of how these conflicts and the pressure towards peri-urban areas can be strategically managed in different development and regulatory contexts. To summarize, the following strategies could be identified as important steps towards more sustainable urban-rural futures: • Better coordination of transport, land use and open space planning • Good governance • Urban containment and densification • Compact Garden City with attractive inner-city areas • Green infrastructure for biodiversity and health-promoting transport • Ecosystem services * PLUREL is an Integrated Project funded within the 6th Research Framework Programme of the European Union (Contract No. 036921-2). During its lifetime, 36 partners from 14 European countries and China have participated in the project. It has been coordinated by Kjell Nilsson, Danish Centre for Forest, Landscape and Planning; University of Copenhagen. The project started in 2007 and terminated in March 2011. ** Six European case studies were chosen from the beginning of the PLUREL project to explore in depth the land use relationships between rural and urban areas: Warsaw (PL), Leipzig (DE), The Hague Region (NL), Manchester (UK), Montpellier (FR), and Koper (SI). A Chinese reference study explored the relevance of the results to the very rapidly urbanising areas in Asia and to get an external perspective on the spatio-temporal developments. Hangzhou, a rapidly growing rural – urban region of 6.6 million inhabitants was chosen for this.

Gateway C

COUNTERCYCLICAL POLICIES IN THE CONTEXT OF SUBPRIME CRISIS: BRAZIL AND 'MINHA CASA, MINHA VIDA' PROGRAM

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The aim of this study is to present an analysis of “Minha Casa, Minha Vida”, a housing program launched in March 2009 by Lula’s administration with the purpose of building one million houses in two years for families with income up to ten minimum wages. Besides being a housing policy, the program can also be considered a housing “package”, consequence of government’s will to maintain the above average growth of the construction sector. Such had become the engine of Brazilian economic growth between 2003 and 2008 and its virtuous cycle was abruptly interrupted by the 2008 financial crisis, obligating the government to launch countercyclical measures to fight its impacts. Among such measures, one of the most important was the “Minha Casa, Minha Vida”. In this context, the present paper will propose a methodology to measure the

impact of the investments associated with the program in the employment level of Brazilian municipalities. Therefore, it will be used the Generalized Propensity Score (GPS) methodology, an extension of the Propensity Score (PS) for situations on which the treatment dose is a continuous variable, as it is the case with the program's finance. The aim of this specific statistical technique is to build a control group able to provide a counterfactual result, that is, once it is not possible to observe the result of the variable of interest (employment) both in the presence and absence of the program, the method seeks to build a reference group. Such group must have similar features regarding the variables that have an effect on the probability of participating of the program and also in the variable of interest. Therefore, the use of the GPS methodology aims to ease the selection bias that emerges from the absence of randomness of the program. The present paper will measure the contribution of the "Minha Casa, Minha Vida" program for the rate of admissions for a broad sample, including almost the entire set of Brazilian municipalities. The theoretical framework is the effective demand theory, whose first ideas go back to Keynes' "General Theory". The analysis was made through an econometric regression with 5.433 Brazilian municipalities using a robust Ordinary Least Squares (LS). The results point to positive and significant effects of the program, especially in small cities and low-skilled, low-paying occupations. The paper is divided in five sections. After a brief introduction, we discuss the main consequences of subprime crisis in Brazil focusing on the distinct regional impacts. The third section presents the measures launched by Brazilian government to fight the crisis, giving special attention to the program "Minha Casa, Minha Vida". Section four presents the theoretical model, the data base and the estimation strategy. Finally, the fifth part shows the results and its implications, with a debate about their consequences for regional disparities and, the sixth section is dedicated to the final remarks.

Gateway N

CROSS-BORDER PRODUCTION NETWORKS IN THE TEXTILE/CLOTHING SECTOR: A CASE STUDY OF THE EUROREGION GALICIA-NORTH OF PORTUGAL

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The complementarities in the textile and clothing sector between Galicia in Spain and the North of Portugal, have been justifying relevant public support for the creation of a cross-border cluster in the northwest of the Iberian Peninsula. This study seeks to evaluate the results of these efforts, streamlining the areas where we assist to greater cooperation between the two sides of the border, as well as the main challenges that should face the further development of this cross-border economic integration. After a short presentation of the main attributes that characterize these economic activities in the Galicia-North of Portugal Euroregion, it will be underlined business strategies differences, from both sides of this spanish/portuguese border, in this specific economic sector. Briefly it can be stated that those differences are mainly a result of a production specialization in the North of Portugal based on a traditional economic tissue composed by medium and small companies, in opposition to a high specialization of some biggest Galician companied in more value-added activities mainly related with branding and trading. In order to explore the potential enclosed on those complementarities there has been some recent public efforts, since 2009, to promote and facilitate spatial clustering and interregional organizational dynamics in this Euroregion, aiming a deeper interaction and economic integration in this specific economic sector. The main aim of this paper is precisely to evaluate how inter-firm relations and transborder production networks have been structured across this border and if this new dynamic has been, in some way, helpful to create some competitive advantage for the economic activities located on both sides of the Galicia / North of Portugal border. Or, if instead, these transborder production networks have been playing a key role in propelling an even grater asymmetry in the spatial distribution of the chain value segments that characterizes this economic sector in this Euroregion. To collect information in order to evaluate and discuss these trends and its implications, this study makes use of a qualitative approach through a set of semi-structured in-depth interviews. Those interviews were undertaken both with company managers that are involved in common business projects across this border, as well as with institutional representative bodies of this economic sector. Those discourses were recorded, transcript and object of a content analysis methodology, in order to make inferences from a collection of distinct experiences as well as expectations about how these transborder networks will evolve in the future.

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Socio-spatial dynamics are changing perceptions of what constitutes the city and the region. While urban spatial form is increasingly dispersed and polycentric, new regionalist accounts of resurgent regional economies have been challenged by relational approaches to economic geography that address the spatial complexity of contemporary socio-economic relations, casting cities as nodes in networks of exchange that operate at multiple spatial scales. Connections at the global scale challenge the cohesiveness of local areas as international connectivity usurps local relations and economic strength in one region does not necessarily translate easily into success nearby, while expanding daily activity patterns and urban expansion in interstitial urban spaces result in a persistent mismatch between policy and its object. Spatial planning has sought to provide policy responses to these trends by invoking the notion of 'spatial imaginaries' that attempt to account for these relational spatial dynamics and governance processes. The normative application of this agenda, through notions of European spatial development and territorial cohesion, has taken the form of a proliferation of 'unusual regions', while more recently conceptions of 'soft spaces' and 'fuzzy boundaries' have been used to represent non-statutory initiatives in which planners work within multiple spaces, transcending the administrative boundaries that delineate traditional governance activity. This paper examines the Atlantic Gateway, a space for investment and governance collaboration that spans the urbanised area that links Liverpool and Manchester, the two largest cities in the North West region of England. Cast in entirely growth-oriented terms as a response to the need for a region to generate a critical mass of economic activity in order to become globally competitive, the Atlantic Gateway provides a contrast to the emerging rationale for spatial imaginaries in the light of interpretations of European spatial development and territorial cohesion that emphasise socio-economic inclusivity and convergence. It originated as the investment strategy of a major landholdings firm that has been adopted by the public sector as a 'framework for collaboration' between the various governance bodies active across the region. Previous conceptions of the Liverpool-Manchester region in planning and development are here considered, before the Atlantic Gateway is examined in the context of debates in spatial planning, governance and economic geography around city regions, 'soft spaces' and reterritorialization.

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There is a growing awareness in the interdisciplinary literature on spatial industrial clustering that research on cluster renewal has been neglected. This results in an inadequate understanding of how firms and supporting agents in clusters interpret and react to changing competitive, technological and societal circumstances, and generate change leading to a long-standing renewal process at the level of clusters leading to transformation. Life-cycle models are widely used to structure thinking about cluster development but the life-cycle analogy has obvious problems as an explanatory device. There is a need to build theoretical tools to elaborate on the micro-processes of cluster transformation. This requires conceptual and theoretical work as well as empirical analyses. This paper aims to contribute to development of theory by introducing the notion of transformation mechanisms which are at play in the causal process generating cluster transformation. Transformation mechanisms have properties that enable them to simultaneously generate novelty and coordination. We build on an interdisciplinary literature on spatial industrial clustering, coordination of economic life, and current discussions on mechanistic explanations in the social sciences. The approach allows us to focus on the transformation process at the micro level – at the level of agents making formerly dominant resource-activity combinations obsolete, recombining them, inventing new ones, and coordinating them so as to generate the transformation of clusters. This facilitates more fine-grained theorising than has been possible to date, as well

as paves the way for detailed empirical analyses of real-world transformation processes of spatial industrial clusters in the future.

Gateway D

THE LOCATION OF SHOPPING CENTRES IN THE METROPOLITAN AREAS OF SPAIN A NEW CLUSTER MODEL?

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This paper presents part of the results of a research study carried out by the Building and Urbanism Department of the Universidad de Alicante regarding the location of shopping centres opened in the last decade in the southeast of Spain. The justification for this subject matter is the opening of numerous shopping centres in the metropolitan areas of Valencia, Alicante and Murcia since the 1990s. The analysis of these operations shows that new strategies to determine the location of shopping centres have been detected. In the last few years most of shopping centres have been built near each other and next to the main crossroads. This research aims to establish the main interests behind these locations: Is it to take advantage of locations with high accessibility by car or to form a cluster model looking for agglomeration economies -i.e. to generate synergies among them-? In this sense, the first step was to classify the malls according to size, offer of services (leisure, food, clothes, etc.), specialisation (the centre only offers clothes or furniture, leisure, etc.), and the location itself (outside the city, linked to the urban weave or in the city centre). After classifying the shopping centres in the three metropolitan areas and testing the cluster model hypothesis, more than 200 questionnaires were applied to visitors of a specialised shopping centre (statistically significant). The survey investigated visitors' profile, reasons for coming to the shopping centre, visiting other shopping centres in the same metropolitan area, mode of transport used to reach the shopping centre, frequency of the visit, etc. Finally, the survey results indicate that the complementary shopping centres seek to form a cluster model based on agglomeration economies. This is the case of IKEA, Outlet Centres (specialised centres) and the mixed shopping centres. Hence, on the one hand, the cluster model is not extended to the all shopping centres located in the metropolitan areas, i.e. mixed shopping centres use road accessibility and size to compete with each other (the newest mixed shopping centre, the biggest). On the other hand, mixed malls benefit from the closeness of the specialised ones. Thereby, future specialised shopping centres are being designed to be physically linked to mixed shopping centres in order to guarantee the property of the whole mall development and to benefit from the retail expenditure attracted by the macro shopping centre, projected as a strategy of agglomeration economies. This is the case of the current proposal to open shopping centres in the metropolitan area of Alicante, other areas of Spain and even in other countries.

Gateway A

THE PECULIARITIES AND PERSPECTIVES OF INNOVATION ACTIVITY DEVELOPMENT IN UKRAINE: SECTORAL AND LOCAL APPROACH

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The increase of intensity and enhancement of efficiency of innovation activity in Ukraine are the most urgent problems due to the out-of-date production potential of national economy. The structure of the marketed industrial products in Ukraine from the aspect of technological modes of production is the following: the 3rd mode – 86%, the 4th mode – 10,5%, the 5th mode – 2,8%. The share of the 3rd technological mode of production in Ukraine is invariably high since 2004 whereas the share of high-technology modes (4-6) in the developed countries of OECD exceeds 60%. The low level of the state scientific and technical policy efficiency from the one hand and the weak innovation activity performance of enterprises from the other are the main

reasons of Ukraine's lagging behind in the sphere of technological development. This trend is confirmed by the following data. The share of the performed scientific and research projects in GDP in 2011 was 0,8% and went down by third during the last 10 years [1]. Only 14% of industrial enterprises take part in the innovation activity and innovative products make up only 7% in the marketed commodities. Based on the current situation in Ukraine it is stated to increase the share of the marketed innovative products to 10,2% including the growth in the production of machines and equipment to 27,4%, in the chemical industry to 22,8%, in the production of electric and electronic equipment to 15,4% etc. The following guidelines of the innovation policy based on the EU experience were approved in Ukraine: -governmental innovation and research programs; - establishment of innovation and technological development priorities; - development of the national innovation system; - assistance in the financing of innovation activity; - formation of the modern innovation infrastructure; - support of the small and middle enterprises in the sphere of research and innovation; - regional innovation programs etc. However the influence of the mentioned activities on the positive shifts in the sphere of research and innovation is for the present insignificant. That is why the main role in this area must be played by companies, in the first place by the subsidiaries of the leading multinationals. In this connection the results of our investigation of approaches to innovation, conducted according to the methodology of the consulting company McKinsey, can be taken into account. The peculiarities of innovation external sourcing in Ukraine were also analyzed according to the methodology of M. Keupp and O. Gassmann. Among the main external sources of innovation there are contacts with customers, suppliers, partners, researchers from universities and consulting companies, participants of different conferences and meetings etc. 129 respondents – middle and low level managers from the Ukrainian subsidiaries of multinationals and the local companies from five industries: pharmaceuticals (Novo Nordisk, Nycomed, Sanofi, Roche etc.), food industry (Nestle, Kraft Foods, Marsetc.), chemicals (Colgate-Palmolive, Henkel etc.), telecommunication (Kyivstar, Ericsson etc.), banking (Erste, Sberbank Rossii, Ukrgazbank etc.) took part in our investigation. The analysis of investigation allows making the following conclusions that must be considered in the prognosis of the innovation activity development in Ukraine. First, the intensity of innovation search of the local companies is much lower than that of the Ukrainian subsidiaries of multinationals. Second, all companies-objects of investigation exploit open innovation concept. Third, pharmaceutical industry has the biggest breadth (the amount of external sources the firm integrates in its innovation processes) and depth (the amount of external sources deeply integrated into the firm's innovation processes) of external sourcing. The world tendency of the balanced approach to the concept of open innovation is observed in Ukraine. Multinationals on the Ukrainian market pursue the innovation policy of the headquarters and represent the innovative products of the other regions of multinationals' allocations. The local companies start to get advantages from the usage of open innovation concept.

Gateway A

FINANCING RENEWABLE ENERGIES, FOCUSED SME IN GERMANY, REGIONAL DEVELOPMENT BETWEEN POLICY AND MARKET

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With the German transition from an economy driven by fossil fuels and atomic power to an economy based on renewable energies, many German regions attempt to present themselves as "energy regions". These regions focus for instance on establishing a 100% renewable energy supply or on developing a strong regional green economy (e.g. IdE 2013, EnergieAgentur.NRW gmbH 2013). While for politics the green economy seems to be the engine of sustainable development (BMU 2013, BMWi 2013), not much attention has yet been put on the financing of small and medium-sized enterprises (SME) in the renewable energies sector and the role regional policy can play in this context. This study analyses the relationships between renewable energies-focused SME and their banks as the major financier of SME in Germany in a regional context and gives some basic suggestions on how regional policy can adjust its policy instruments. The international financial markets have been in a process of re-structuring since the 1990s as new ICT led to an internationalization of financial players and an intense international competition. In Germany and other countries, this has resulted in the reorganization of the national banking sectors. On the one hand, there have been numerous M&As and thus an institutional concentration. On the other hand, a strong geographical consolidation of branch networks has taken place, and many bank branches, especially outside metropolitan areas have been closed (Deutsche Bundesbank 2010). These structural changes have consequences for SME finance. In this context, the problem

of financial exclusion of businesses has prevalently been discussed (e.g. Leyshon & Thrift 1995, European Commission 2008). The study analyses from a relational perspective (i.e. Glückler 2007) how relationships between environmentally orientated SME working in the sector of renewable energies and their banks as the major financier of SME in Germany are constituted and how these relationships developed over the years. For this purpose, interviews with SME managements as well as with their banks' customer advisers were conducted and the effects of different types of interpersonal arrangements in relationships between banks and renewable energies-focused SME were analyzed. Thereby, aspects of personal trust and its genesis in the context of geographical distance were the focal point of the study. The study shows that personal trust can have a positive impact on the business relationships between banks and renewable energies-focused SME with benefits for both sides, i.e. through the reduction of uncertainty. It becomes clear, that economic exchange can be conducted without the actors' permanent geographical proximity. Therefore, the study demonstrates that renewable energies-focused SME located outside metropolitan regions in Germany are not disadvantaged concerning their finance opportunities. Thus, it argues that cluster approaches tend to overemphasize the role of geographical proximity. The study argues that regional policy instruments focusing on upholding inefficient bank branches against the background of providing services of general interest in non-metropolitan regions do not seem to be necessary. Instead, regional policy can support the social construction of economic exchange concerning the financing of renewable energies-focused SME by not exclusively focusing on establishing strong regional economic cycles. Instead, the relationships between actors within a region and actors from outside should play a bigger role. Innovative regional policy instruments relating to the development of "energy regions" should take this into consideration.

Gateway H

THE ECONOMIC GEOGRAPHY OF BRAND ASSOCIATIONS: AN EXPLORATION OF PRODUCT-PLACE ALLIANCES

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Geographical associations of product, service and corporate brands have been investigated in international marketing and economic geography. International marketing has analysed the country-of-origin effect (CoO), by discussing its impact on consumers' preferences (Bilkey and Nes 1982; Johansson et al. 1985), the decomposition of the CoO concept in country of design, of assembly, of parts manufacture (Insch and McBride 2004) and on the notion of brand origin (Thakor and Kohli 1996 cited in Hamzoui-Essoussi et al. 2011). Even though economic geographers have significantly overlooked brand studies (Power and Hauge 2008), attention has been drawn to the entanglement of good and service brands in spaces and places, thus explaining the process of construction of geographical brand associations (Pike 2009). This research paper will focus on the dynamics of consumption and how these contribute to the formation of geographical brand associations. It was said that the web of agents involved in producing, circulating, consuming and regulating brands, constructs geographical brand associations (Pike 2009). These, in fact, emerge from a network of relationships, negotiations of meanings and ownership involving a variety of economic actors that include consumers (Power and Hauge 2008). Accordingly, there is a need to further investigate the extent to which and how spaces and places of consumption may add value to brands, thus going beyond the broadly analysed place of origin effect, i.e. the "Made in" and the "Designed in" brands. By focusing on the consumption-side of product brand building, this research paper will draw particular attention to the brand experience (Schmitt et al. 2009), thus discussing the extent to which places may be valuable allies for product brands, by strengthening their authenticity and differentiation. If geographical brand associations are said to be able to persuade consumers about product's quality, excellence and innovation (Jansson and Power 2010), this paper will investigate the potential of the place-product experience to provide consumers with self-image (Gilmore and Pine 2007), lifestyle and attractive personality (Branch 2007). By offering the opportunity to "live" the brand, the place-product experience ends up coinciding with a playground for enacting postmodern consumption (Cova 1997). The proposed analytical framework will adopt a two-way perspective and will highlight, on the one hand, opportunities for product innovation increasingly concerning immaterial and experience aspects as well as positioning (Pine and Gilmore 1999, Lash and Urry 1994, Olins 2003 cited in Jansson and Power 2010) and, on the other hand, opportunities for potential change or refreshment of the place image(s) and for an improvement of the place reputation.

LOCAL ECONOMIC POLICY IN THE UK: THE ROLE OF LOCAL ENTERPRISE PARTNERSHIPS

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Current economic uncertainties and fiscal constraints have combined to have significant impacts on the institutional structures for the delivery of local and regional economic development in many national economies. In this context, the English regions have witnessed a dramatic shift in such institutional structures since the new Coalition Government took office in 2010. The Regional Development Agencies (RDAs) created under the previous Labour administration in 1999 have been removed as vehicles for delivery of regional economic strategies to be replaced by Local Enterprise Partnerships (LEPs) operating at a sub-regional or “local” level (Bentley et al 2010; Pugalís and Carlisle 2012; Pugalís and Townsend 2012). RDAs operated in an institutional setting where they were required to respond to national government guidelines on competitiveness and meet targets prescribed by national economic policy. As a consequence, RDAs faced significant challenges in managing the tensions between central policy directives with the aspirations of local partnerships. These outcomes of policy processes have been described as a “regionally orchestrated centralism” in the production of regions. In contrast, LEPs are intended to be locally led, voluntary partnerships between local authorities and businesses which are overseen by government via the Department of Business Innovation and Skills (BIS). Focusing economic interventions on specific sectors was a key aspect of most local economic strategies developed under the RDAs. Central government guidelines for LEPs, however, have been much less prescriptive and it might be expected that emerging LEP priorities and the way in which they target interventions on specific sectors and businesses would display much greater diversity and reflect local difference in terms of economic structures and expressed needs. The declining levels of public resource available under the LEPs poses questions for local policymakers regarding the appropriateness of conventional interventions that seek to improve the overall competitiveness of whole sectors within local and regional economies. The decline in the number of “growth sectors” nationally also creates dilemmas for local policymakers as they seek to identify and support potential growth businesses in local economies in competition with other LEP areas. It has been suggested that this has led to the convergence of local economic strategies that focus on relatively few “fashionable” sectors rather than evident competitive advantages for specific businesses in local areas (Swinney 2011). In this paper, we report findings from an examination of the current priorities of the LEPs as set out in available strategies and policy documents with particular reference to the significance given to sectoral interventions and the varied approaches to targeting of sectors and specific types of business. The paper seeks to draw conclusions regarding the role of the public sector in providing support for broad sectors of the economy and the varied responses of the LEPs to the vacuum created by the removal of sector interventions that were previously delivered at the regional scale.

INTER URBAN MIGRATION IN MEXICO: AN EXPLANATION THROUGH AGGLOMERATION ECONOMIES IN A TERRITORIAL LEVELS

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Nowadays, urban migration is very important because it represents the biggest proportion respect to other internal migrant movements. On the other hand, urban areas formed as cities have shown changes in production structures, labor markets and urban services. The last, establish the complexity in the process that have to be analyzed to better explanation of the phenomena. In Mexico and other similar emergent countries in Latin America, economics and urban dynamics in cities have shaped strongly regional growth. These regional growth dynamics cannot be explained fully without understanding spatial interaction and agglomeration among cities. In this sense, Mexico has larger urban concentrations, where the economic structure and

demography had changed since the 80's: tertiary activities lead much of the modern urban growth while at the same time manufacturing industries have moved toward other regions. Nevertheless, there are few insights about the transformations of working mobility between Mexico's cities. This study fills on this gap by studying the dynamics of workers across metropolitan areas in 2010. We try to explain the main forces that are driven Mexican intra and interurban migration through agglomeration economies. In the literature about agglomeration economies, there are two principal explanations based on endogenous agglomeration: localization and urbanization economies (amenities). The former rely on the economic and labor structures, while the last rely on urban development of the sites. In this sense, we establish that the agglomeration economies based on New Economic Geographic explain the attraction of labor force to big areas, while the urban amenities would explain flows to small areas. So, we analysis combine, in one hand, explanation of urban labor force to big areas through NGE approach, and in the other hand, migration to small areas based on urban amenities. The data is obtained from census data at municipality and metropolitan zones levels linked with industrial census data at census tract level. Besides, we built a data set of economic that contain characteristics (labor, wages, etc), urban amenities (i.e. restaurants, cinemas, shopping centers, etc.) and other types of urban endowments (such as parks, metro stations, schools, etc.). Given the spatial pattern of migration flows we use an empiric strategy based on ESDA (Exploratory Spatial Data Analysis) to show the spatial configuration of the phenomena and then we implement a multilevel spatial econometric model to explain flows in two levels and to control the spatial dependence. Our modeling strategy incorporate three innovations: 1) A proposal to explain urban migration based on a hybrid approach (NGE and Urban amenities), 2) capture effects in two hierarchical geographic levels that are interdependent: small area (municipality) and big area (metropolitan area which contain municipalities), and, 3) explicitly controls spatial dependence. The main results shows that the Mexican interurban migration in 2010 can be explained through an hybrid model that controls effects from agglomeration economies and urban amenities. Specifically, size market and access market trigger Mexican flows to big areas (metropolitan areas) and workers are encourage by amenities forces to small areas (municipalities). Besides, in the case of skilled migrants the effects are higher. These two types of forces modeled in a framework that captures effects in two levels, would suggest that there is a process for the Mexican case in which the interurban migration flows are leaded by agglomeration economies, and intraurban migration by urban amenities.

Gateway M

INHIBITORS OF SPATIAL JUSTICE: LEISURE LANDSCAPES – THE “CIVILISED VERSION” OF LAND GRABBING

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In the past, regional disparities were associated with a lack of equal development. The formula for balancing disparities was investment in national infrastructure and an ongoing economic growth to be redistributed according the principals of equal development. The actual economic model proclaims increased diversity instead of equal development and promises regional wealth with equivalent livelihood conditions. Indeed the pattern of income on national level has homogenized, due to periurban enlargement of metropolitan regions and second home residences in former peripheral regions based on increased social and technical mobility. But the rise of GDP in many European regions obstructs the view on a specific specialization of functions which polarizes European regions in different classes with different specific value adding due to increased functional disparities, diverging reputation, different valorization of territorial capital and ongoing social segregation. On the one hand we find high performing metropolitan areas which are able to attract continuously high qualified migrants. They have a certain guarantee to be supported as growing machines. Due to several economic clusters and socio-cultural diversity and also high environmental standards they can persuade private investors and public administration to invest in infrastructure and in culture thereby valorizing local features as territorial capital. On the other hand we find regions with an attributed profile as beautiful landscapes which attract people mainly for consumption purposes as residential areas. These regions profit from new demands for leisure but are strongly dependent on external purchasing power which makes them vulnerable and create a profile which makes them unattractive for creative and high performing services. And there remain also those regions which have undergone structural change periods with economic and demographic decline and now lack social capital so that they depend on external experts forced to adopt their purposes. The presentation uses in a between-group comparison two case studies: the commodification of mountain areas as

landscapes for residence and leisure purposes by investment in the built environment and the attempts to attract investors for business parks in the periphery of Greece. It is argued that the socio-economic change of paradigm of the 1970ies manifests spatially with a certain hysteresis (time lag) in the years 2000 as metropolisation. This comes along with the revalorization of big cities and with a functional integration of peripheral areas as specific assets for those metropolitan areas. In this process the peripheries gain purchasing power but lose their old production systems. Instead of bringing them more diversity the new spatial uses generate production chains which are more volatile and reinforce regional disparities deeper than before by a new functional polarization. This development runs contrary to the overarching goal of spatial justice. It is also in contrary to concepts as sustainability, regardless its ecologic or economic definition. The discussion seeks to find strategies against large-scale functional division of labor.

Gateway A

FROM BREAD TO BREAD. THE LIFE CYCLE OF A CEREALS INDUSTRY CLUSTER IN THE SOUTH OF ITALY

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In this note we will analyze the life cycle of the cereals agro-food cluster in Matera (Basilicata region) a small but in our opinion very representative cluster, with a long history. Cereals production occupies a large part of the territory on the hills in Southern Italy. In some of these areas the agricultural and industrial activities have spontaneously evolved in clusters. These clusters, centered on the production and processing of cereals, include, wheat farms, storage centers, mills, pasta production factories, bakeries. The origin of these cluster can be tracked before the industrialization of food processing and distribution. Among the main exogenous factors influencing it's life we can mention the autarchy agrarian policy of the fascist regime, the agrarian reform of the new democratic regime, the rural exodus in the 60s. The Matera Pasta Cluster development stage started before the 1900, and continued until the 50s, beginning from the very simple processing activities of cereals, carried out in the rural family farms. It's development was strong and regular until the maturity stage, between the 1960 and the 1973, the same years of the strongest economic growth of the Italian economy. In this stage the "cluster" features became more evident, with an integrated network of storage centers, mills, pasta factories. In the last years, the cluster experienced a fast and serious decline. The crisis started first in the milling industry and in the pasta production. In the same years some public-private initiatives tried to restructure and revive the cluster, and one of these supported the development of a cluster "Pane di Matera" (Matera bread), going back, at least for the key product, to the origins of the cluster. All along this cycle we can observe endogenous and exogenous factor that influenced the cluster life, but we will make some hypothesis specially on the causal factors of the decline, and we will discuss also the substantial failure of some policies implemented to revive it. Among the main exogenous factors of decline is the opening of the national market. The creation of the EU (EEC at the time), the improvement of the transport technology, the product standardization, the concentration of the retail commerce in the large scale distribution brought a strong external competition also in the local market, that used to be almost closed. Technological innovation. The continuous innovation in milling and pasta production technologies, that in the beginning had favored the creation of the district, moved the efficient minimum scale beyond the size of the small firms, that where the unique constituents of the cluster. Endogenous factors can also be mentioned. First of all the crisis of the family firms. The family owned firms, that accounted for the totality of the firms involved in the district, proved unable to evolve in more "managerial, capitalistic", and larger companies, needed to implement the structural adjustments needed to face the exogenous factors of decline. Starting in the 90s some specific policy measures were adopted, both at central and regional level, to stop the decline. At central level various incentive policies were approved, specifically targeting the "industrial clusters". At regional level some interventions were implemented, in particular a huge investment to create a large mill and pasta factory, was financed, using EU funds, involving agricultural and industrial entrepreneurs. This policy hoped to make specially the farmers, and their professional associations, the leading characters of the new cluster. Unfortunately it badly failed. Some of the reasons: poor entrepreneurial capacity of the local agents, disruption of the cluster model, because the huge investment that was at the centre of the strategy, created an "oligopolistic" structure more than supporting a cluster network. Furthermore, it was too big for the firms it was supposed to integrate, and too small for the global competition that it had to face.

More recently, another policy has been started by the regional government. In this case the aim was to promote the production and the access to the external markets of the Matera Bread, a typical variety of bread, produced using durum wheat in wood heated ovens. For this scope, a Protected Geographical Indication (PGI) has been proposed and approved by the EU. The strategy was to create a "Bread Cluster", a system of small or micro food firms that using local raw materials (durum wheat) and traditional recipes, could produce for the global market in a small but protected niche, that of typical traditional products. Unfortunately also this strategy is showing many weaknesses: it involves just a small part, and not the central one, of the previous pasta cluster. It aims to improve the competitiveness of the cluster in the global market, but actually it moves the cluster to a sector that is even more challenging for the Matera entrepreneurs. In fact the market for typical products is already well developed, open at least at the European level and occupied by strong competitors. Also, even moving from pasta to bread, it leaves unsolved the gap of capacity to access the modern markets, specially the large scale industrial distribution, that is one of the main weaknesses of the Southern Italy food industry. In conclusion, the Matera Pasta Cluster is facing a continuous decline, that makes quite realistic the forecast of its final disappearance. The two main initiatives carried out to avoid this decline, that unfortunately proved little impact, didn't address the main endogenous factors that seem at the basis of the crisis: first of all the crisis of the family owned firms, that were the strength and later the weakness of most of the local industrial clusters in the South of Italy, second the crisis of the traditional commercial networks that were the main markets for the Cluster, and the limited capacity to access to and to deal with the modern distribution systems. These lessons can be further elaborated and applied to other clusters that are experiencing similar crisis, not only in the agro food industries.

Gateway P

A LEARNING-BASED DECISION-MAKING APPROACH (LBDMA) FOR CITIES IN DEVELOPING COUNTRIES: THE CASE OF AREQUIPA, PERU

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Current academic debate on the nature of decision-making processes tends to consider learning and knowledge as important outputs that, in the long-term, contribute to the improvement of the quality of decisions. Some even claim that given the complexity of territories and cities, the learning and generation of new knowledge about issues can be more valuable as they help to improve the decision-making process rather than simply focus on producing the final decision. Nonetheless, little has been done to explore the mechanisms that trigger learning and generate knowledge in these processes. Similar uncertainties are also found when trying to understand the implications of the implementation of decisions grounded on these learning processes, especially in cities undergoing rapid urbanisation in the developing world. This paper aims at examining to what extent learning processes and knowledge generation are embedded within urban decision-making processes in the context of fast growing cities in developing countries, such as Arequipa in Peru. This is explored through a Learning-based Decision-making Approach (LbDmA) that conceptually links the evidence-based decision-making approach with the double-loop learning theory by interrelating decision-making frameworks, individual practices and data usage. By conceiving decision-making processes in this way, it allows clear recognition of the learning dimension, both in procedural and substantive terms, of decision-making processes. The challenging institutional, planning and professional circumstances of Peru offer an original picture for studying the issues required by the LbDmA. The adoption of the market economy at the beginning of the 1990s propelled major changes in the institutional and legal systems of the country. As a result, urban decision-making frameworks have been adjusted to respond to the demand for maintaining the economic growth. This shift, in time, has altered municipal administration mechanisms and introduced changes in the scope of data usage in decision-making processes. Likewise, the nature of individual practice in Peru is also a relevant issue to consider. Since the academic background of local planning practitioners tends to be mostly founded in architecture and civil engineering disciplines, in many cases the thinking they apply when making decisions is limited to physical and infrastructure issues. Considering these features, several assumptions grounded on the examination of decision-making processes in the developed context have been challenged through the examination of the Peruvian case. The application of the proposed LbDmA leads to the identification of four typical decision-making practices and embedded learning and knowledge in Peruvian cities. It also exposes the spatial implications of the implementation of these practices in the physical structure

and functions of cities. The four identified decision types, produced by these practices, are: (1) ad hoc decisions; (2) land administration decisions; (3) economic planning decisions; and (4) urban policy and planning decisions. This identification, based on direct observation of urban planning practice, provides very useful insights on the tensions, contradictions and trade-offs involved in the process, which have to be addressed to enhance effective implementation of decisions. Finally, further recommendations for improving the quality of urban decision-making processes in Peru are proposed.

Gateway E

LEADERSHIP, STRATEGIC ACTOR-HOOD AND INSTITUTIONAL CHANGE: THE ENABLING ROLE OF UNIVERSITY RECTORS

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There is a widespread recognition of the role of particular agents in processes of innovation, regional development, and, consequently, their (direct/indirect) contribution to institutional change at the micro, meso and macro levels. This paper sheds light on a particular set of agents, university rectors. The empirical material is drawn from a recent comparative study shedding light on the institutionalization of the regional mission of comprehensive universities located in peripheral geographies. Two Nordic cases - Norway (Tromsø) and Finland (Oulu) - are presented. Our analysis reveals the enabling role of the Rectorate in pursuing a strategic agenda aimed at changing the status quo (de-institutionalization and re-institutionalization) at the micro (university), meso (region) and macro (national policy) levels of analysis. More specifically, the paper shows the ways in which the office of the rector denotes both legitimacy and strategic opportunity (choice), aimed at transforming the university into a more complete (coherent, predictable, integrated, efficiency, etc.) organizational (strategic) actor. At the micro level, the data reveal that Rectors play a critical role when it comes to the institutionalization of the third mission of regional development, both across the university as a whole and that of the 'academic heartland' or sub-units. At the meso level of the region, their strategic efforts (agency) not only led to raising awareness, amongst key constituencies, of the importance of skills, competencies, and knowledge in the context of global competitiveness and future regional wellbeing, but, equally important, when it comes to acting as middleman or brokers around which regional coalitions (social capital) are formed and shared strategies and visions are developed. Coalition-building has pervasive effects not only in the realm of regional policy but equally so when it comes to influences at the level of national policy, given Rectors' enhanced visibility and privileged access to national level bodies and influential policy makers at the central (government and parliament) levels. At the national level, Rectors, either representing the values and interests of their own university communities or the collective (joint) agendas of local constituencies, were found to play a key role when it comes to not only enhancing the image of the region but also insofar contributing to changes in the regulative (policy) framework affecting higher education institutions on the one hand and their respective regions on the other. The paper, which draws upon major concepts and postulates emanating from organizational theory (primarily from its institutional perspective), and the regional science and higher education literatures, has significant implications in terms of improving our current understanding regarding the interplay between micro-level agency and macro-level (institutional) change; a topic with a long historical pedigree within the social sciences.

IN THE QUEST FOR SUSTAINABILITY IN COASTAL AREAS SUBJECTED TO COASTAL EROSION: THE EXAMPLE OF COSTA DA CAPARICA

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Costa da Caparica is a Portuguese municipality in the Atlantic facade located in the south bank of Tagus Rives, less than 20 km away from Lisbon, the capital city. When the bridge was built, in the 60's, accessibility improved and the municipality become attractive for housing development at lower cost than Lisbon. During the 70' and the 80's urban development continued to increase alongside with recreation and tourism activities. Houses, for first or second residence, hotels, restaurants, camping sites, were built increasingly closer the coastline changing the costal landscape, from a small fishing community to high densely urbanized and populated area. Increase artificialization of land use occurred also due to its importance as a recreational area for the population of the Lisbon metropolitan area and the effort that has been done to organize the traffic, parking and other infrastructures near the beaches.

But the coastline retreat is also contributing to change the landscape. The construction of dams on the Tagus River dramatically reduced the amount of sand that reaches the estuary and that fed these beaches alongside with climate change and sea level rise are increasing the vulnerability of the human settlements. To stabilize shorelines some solutions were adopted namely "hard" and intrusive engineering solutions to protect populations, like the construction of seawalls, groins, or headlands, and more recently, since 2007, sand renourishment programs during summer season. But they generated enough controversy with people not directly benefited voicing against the cost of that operation that is only temporary. The sustainability of urban communities requires more determination to reverse the patterns of urban sprawl and requires a greater attention to the weaknesses of the interdependence between natural and social systems. It also requires the need to learn more about the process of coastal erosion in order to discuss present policy responses as well as alternative solutions that are technically and economically viable and more sustainable.

The aim of this paper is to present some results of an ongoing research project on the social economical and environmental impact of coastal erosion in a coastal urban area, the solutions that are being implemented and the way populations and stakeholders are reacting and assessing them.

MULTIDIMENSIONAL MEASUREMENT OF LOCAL DEVELOPMENT - CASE STUDY FROM POLAND

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Finding reliable measures of development is one of the key challenges for local and regional studies. Deficiency of such measures on a local level is especially acute, as policymakers have to face both growing expectations of local communities and increased complexity of socio-economic and environmental phenomena. Thus, a useful measurement tool should combine both clarity and comprehensiveness. Furthermore, a notion of development has been consistently broadened, highlighting the role of non-economic factors, which contribute to quality of life and at the same time underlie processes of economic development. However, there is a considerable lack of recognized and comprehensive local development measures, which are able to meet this demand and supplement well-established economic indicators. In order to address the above-mentioned challenges, a multidimensional measurement of the level of local development might be employed, drawing for example on the Human Development Index (HDI) or on the four-capital model. Theoretical basis of the HDI, as developed by the United Nations Development Programme for a national level, serves us as a well-recognized conceptual framework for selecting indicators appropriate at the local level, and adjusted to a current stage of development. Three dimensions covered by HDI are decent life, education and health. Similar idea lies behind the four-capital model, founded on the assumption that the four kinds of capital: natural, manufactured (produced assets), social and human play a significant role in the process of generating wealth

and prosperity. Generally speaking both approaches go beyond traditional economic measures (e.g. GDP) in an attempt to gain a new, deepened perspective on a territorial cohesion. Against this background, we measure the spatial distribution of development on a local level (LAU-1, powiat) in Poland using a broad scope of indicators inspired by Human Development Index and the four-capital model. However, administrative boundaries could be inadequate for capturing the whole spectrum of territorial processes, concealing the functional nature of space. Thus, we apply three different variants of LAU-1 groupings, i.e. (1) official administrative units (default), and then (2) merging municipal districts with its closest 'sub-urban' hinterlands, and (3) separating metropolitan areas. The analysis of spatial patterns of socio-economic development is performed using factor analysis. In effect, numerous variables are replaced by mutually uncorrelated principal components. Subsequently, the identified principal components are used for the classification of spatial units using the hierarchical cluster analysis (Ward's method). The described procedure is applied for all of the above mentioned variants of the LAU-1 groupings. This approach not only enables us to analyse the general spatial dimensions of the socio-economic development in Poland but also sheds light on the idea of the functional areas.

Gateway C

RURAL FUTURES: THE ADDED VALUE THROUGH THE LEADER-APPROACH

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Facing economic and social challenges for the future of rural areas, the Europe 2020 Strategy aims at smart, sustainable and inclusive growth. Successful development approaches therefore include human skills, capacity-building and innovation as crucial elements. Thereby the commitment and creativity of the local people play an important role for the development and viability of rural areas. One approach to bring forward rural development is the support of Local actions groups (LAG). Those groups collaborate on the basis of an integrated local development strategy for their rural area. For such actions there is a financial support from the European agricultural fund (the LEADER-approach). The European Commission's assesses this approach positive, because it can facilitate the implementation of multi-dimensional and cross-sectoral interventions. Consequently, a coherent set of measures can be applied across the EU putting in place a community-led local development approach also to structural funds based on the key elements of LEADER. LEADER is a bottom-up oriented, participatory approach in rural areas. Organisational structures with own budgets are established in every LEADER-region. Therefore different stakeholders come together in a Local Action Group as a kind of a public-private partnership and make decisions about the financial support for projects. These collaborations deal mainly with tourism, diversification of rural economy, agriculture, environmental matters, demographic change and quality of life. A general assumption about LEADER is that there is an added value because of a better identification of local needs and solutions, more commitment of stakeholders and a greater scope for innovation. Further benefits are pooling endogenous resources, networking to allow mutual learning and an integrated approach to address complex economic and social issues. The capacity-building process is a key element in the implementation of LEADER. But the European Court of Auditors claims in a special report (5/2010) about the "Implementation of the LEADER approach for rural development" that member states cannot demonstrate the added value achieved by implementing the LEADER-approach and have not evaluated the additional costs and risks involved. The report admonishes to prove the added value achieved. Furthermore the court claims that LAGs have implemented the LEADER approach in ways that limit the potential for added value. In the special report there was found a need to improve the quality of local development strategies and their implementation through better LAG level monitoring and evaluation. The findings of the evaluation of Rural Development Programs (RDPs) in six federal states in Germany are used to examine the added value of the LEADER-approach. A mixture of qualitative and quantitative methods has been used and the main instruments are: I) More than 100 face-to-face interviews with project initiators, LAG managers, LAG members, government employees at different levels of responsibility; II) four surveys using written questionnaires: two for members of the LAG's decision bodies (in the years 2009 and 2013), one for LAG managers (2010) and another one for project beneficiaries (2012) and III) standardised annual requests of activities and organisational structures in the LEADER areas and IV) an analysis of funding documents and funding data. To examine and then prove the added value we will present the results of the surveys about the

performance of the LAG managers, who play an important role in the process of networking and implementations of project ideas. To discuss the added value in the sense of a higher mobilisation of endogenous resources we will present a comparison from LEADER-projects with similar non-LEADER-projects. In this examination we will look in particular at the engagement of volunteers and other contributions from local actors. The standard procedure of LEADER is that every LAG has its own funding budget. But in some federal states in Germany there are additional funding opportunities for LEADER-projects through competitions. Thereby the LAGs can submit project proposals in a federal-state-wide selection process (with different modes of decision-procedures and financial resources in the federal states). However, the question is whether this can increase the added value of the projects and leads to a more effective way of funding or whether such competitions weaken the local approach, because the decision about funding is not made at the local level. Another question concerning the added value of LEADER is: What kind of measures (tourism, village development, basic services, cultural heritage, diversification) do really profit from the specific advantages of the LEADER approach and what are the disadvantages, if LEADER is the only funding source for these measures.

Gateway D

PATH INTERDEPENDENCE AND RESILIENCE: A CASE STUDY OF PHOTONICS IN WALES

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In response to an economic shock, regional paths can adapt in a number of ways, including co-evolution of paths, or path interdependence. According to recent research by Cooke (2010; 2011), examples of this path interdependence abound in the field of eco-innovation, particularly between unlikely collaborators including automotive engineering to biofuels, or milk coolers to wind turbines. The emergence of 'unlikely collaborators', and the emphasis on connectivity and innovation, suggest that this path interdependence could be viewed using a complex adaptive systems approach. Using data collected in 2012 through semi-structured interviews with firms in the photonics cluster in the North Wales region, this paper focuses on understanding what prompts path interdependence and how this interdependence occurs. The findings point to an evolution of the firms in the photonics cluster branching into solar energy with cross-sectoral collaboration between regional solar energy firms and steel firms that produced an innovation through preadaptation. The photonics firms are altering their growth paths but the cause of this change cannot be solely linked to one specific shock. These findings have implications for both resilience theory as well as the policy debate relating to the role of regional governance in facilitating adaptation.

Gateway I

DOES THE EU COHESION POLICY ATTRIBUTE TO EMPLOYMENT?

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Purpose – One of the goals of the European Union strategies is to achieve jobs flexible and secure enough (flexicurity). The European Social Fund (ESF) is a policy instrument which helps achieving this goal by assistance in pro-active labour policies and improvements in human resources. Until now, evaluations of the efficiency of the ESF assistance are scarce. The purpose of our study is to test whether the ESF assistance helped to increase employment and to improve the effectiveness of the policy implementation in 2014 – 2020 programming period in the Czech Republic. **Design/methodology/approach** – The paper is based on conducting a counterfactual impact evaluation of the Operational programme Human resources and employment (OP HRE) in the Czech Republic. Our study has a quasi-experimental design, as the programme assistance has not been designed as randomized experiment. The research was done in the OP HRE, support area 1.1, which finances

private companies in field of trainings and improvements of systems of human resources development. We analysed a data sample of 31 604 firms, of which 2630 were applicants for the ESF assistance. The data sample enabled us to test the impact of the ESF assistance among the successful applicants (n= 1447) and compare them to i) non-applicants (n= 28 974); and ii) to the rejected applicants (n= 1183). We applied three methods to estimate the impact. The first was a regression discontinuity design (RDD). We used number of points in the appraisal process to find out a cut-off point dividing the sample into two groups (successful and rejected firms) and to estimate the impact. Secondly, we used a method of instrumental variables (IV) in which we used identification of appraisal experts as an instrument. The last method we used was a propensity score matching method (PSM). We applied the above-mentioned methods on the whole sample and also on samples divided into three groups according to the size of applicants (firms up to 50 employees, 50 – 250 employees and larger firms). Findings – We found significant estimates of positive impact of the ESF assistance on employment in the case of grant projects. Both propensity score matching method and instrumental variables estimates indicate positive impact of ESF on employment in the case of the whole sample. Those methods differ in size of the estimates (estimation by IV is six times higher than PSM). The estimates of impact for IV show positive estimates 87.2 (p-value 0.03 for employment as measured by the number of individuals) for the whole sample. In the case of IV the estimates of the impact on employment is significant for large firms with more than 250 employees (188.81; p-value = 0.00), but not for the smaller one. There are statistically significant estimates of the positive impact of the ESF on employment using the PSM when comparing both the non-applicants and supported small firms (5.65; p-value 0.04). We have also found a positive impact on employment in the case medium-sized firms (11.19; p-value 0.00). In case of PSM, we found no significant estimates for the entire data set. Practical implications – The paper provides valuable information on evaluation methods for conducting of counterfactual impact evaluations in the next EU cohesion policy programming period. Originality/value – The conclusions may be useful for managing authorities in designing and implementation of policies in the 2014 – 2020 programming period.

Gateway A

LEAP OF PRODUCTIVITY? THE MODEL OF UTILIZING CLOUD COMPUTING TO BOOST SERVICE BUSINESSES

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After major lay-offs and difficulties in large Finnish multinationals (technology industry, ship building, forest industry) the eyes are on small companies. Service industries are seen as the source of growth, employment and innovation. The all-around solution to the service businesses is ICT as it is seen as a trigger of innovation and productivity. ICT in general and cloud computing in particular can bring savings to back office activities as the ICT infrastructure does not have to be arranged by the company itself. Additionally, the benefits of virtualization, on-demand -service models and eased communication are evident. The new software services are scalable, flexible and they provide almost endless capacity of computing. Hence they create the possibilities to innovate new services and renew business models. The challenge is that the small and medium sized service companies are not aware of the possibilities of technologies. Neither do they have the resources or interest to make sense of the technologies for their businesses. Thus the question is, what are the support functions, services or policies that SME service companies need to utilize modern ICT solutions? And, how does the combination of the modern ICT solutions and the supporting services affect on the business models of the observed service companies? We observed five case companies in their process of taking modern ICT solutions (cloud computing, devices) in use. The service companies were offered support functions such as technology configuration and business consultation. In all the cases there was a before and after interview and the researcher followed-up their inauguration process. The effects of the intervention were evaluated by the companies. The qualitative observation of the companies provides rich information on the everyday procedures and obstacles that might hinder the technology utilization. The data comprises five journeys with critical incidents and/or factors. Of the journeys the researcher looks for commonalities especially when it comes to changes in the knowledge intensive work. The similarities in knowledge intensive work practices provide the basis for comparisons despite if the case companies diverge. The research has a practical goal as it hopes to contribute to a scalable operational model that supports small and medium sized service companies in their renewal. The academic goal is to participate in the discussion of how to renew service industries with ICT and the proper support functions.

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The County of Northamptonshire in England has been a problematic one for advocates of place led leadership. It is an area of high employment, high skill levels and one which benefits hugely from the influx of research and development money from the Formula One industry based around the Silverstone complex. The County was formally under the remit of the East Midlands Development Agency (EMDA) before its abolition. However, although EMDA relied on Northamptonshire to boost its headline statistics on employment rates, wages levels and high skill levels, the County never really connected with the rest of the region. At the time of EMDA's abolition only two Board members from Northampton had ever joined EMDA. Research conducted at that time found that this was due in part to the feeling that Northamptonshire did not really belong in the East Midlands but was also due to a lack of leadership within the County and a lack of focus and drive for a County based agenda from the local governance structures (Quinn 2012). The message coming from stakeholders in Northamptonshire was that there was a feeling that as the local economy generally performed well there wasn't the impetus for an economic development body to take hold, especially one based in Nottingham. The only area where EMDA had any impact was in the market town of Corby, an area of significant economic deprivation. Here the local business community and local Council worked together with EMDA to produce a strategy for economy growth. This paper returns to Northamptonshire to examine efforts to set up a County based Local Enterprise Partnership (LEP). The paper will try to establish if the struggles experienced by EMDA were due to the issues with Geography or whether it is simply more difficult to establish governance and leadership structures in areas where the economy is working well. This is particularly important for the peripheral areas of the County such as Corby which do not benefit from the money brought in by Formula One. Is there a danger that categorising a place as 'successful' or 'entrepreneurial' risks abandoning smaller areas of deprivation within that locality?

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Grete Kindel, University of Tartu, ESTONIA

The aim of this paper is to analyse comparatively the impact of leadership to social capital formation and resilience of Noarrootsi and Vormi communities in the North-West of Estonia. This area lost majority its indigenous Swedish speaking population during the World War II. New people from Estonian mainland moved in. Later, since 1970, these areas became increasingly popular as holiday and particularly as second housing destinations. When Estonia regain its independence and applied very wide restitution of former ownership, descendants of former Swedish owners could return their properties. Many Swedish people set up their Summer cottages there, others sold their land to mostly Estonian city people. All these changes made previous quite life rather turbulent. Noarrootsi and Vormi municipalities took entirely different approach towards Swedish people: Vormsi tried to restrict restitution process and Noarrootsi applied besides smooth ownership reform several new forms of co-operation with former owners heirs and benefitted from that co-operation remarkably. Hypothetically, open minded and positive approach taken by leaders in Noarrootsi, which combined restoration of historical Swedish identity and structures, was strengthening and enriching local community, increased the number of people who take care about the community and made it more resilient. Opposite restrictive approach in Vormsi hypothetically caused deterioration of social capital and reduced trust towards municipal authorities. In the theoretical section, we discuss interrelations between key concepts: leadership, social capital, resilience and discontinued cultures. The empirical part is built on statistical and media content analysis as for context and facts and on in-depth interviews.

RETHINKING THE ROLE OF THE REPRESENTATIVE BODY IN LOCAL GOVERNANCE. THE EXAMPLE OF MUNICIPAL COUNCILS IN POLAND

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During twenty two years of 'independent' local government, representative democracy in Poland has undergone a considerable change. Far-reaching reforms and a volatile environment resulted in a significant pressure for a transformation of local councils, even more visible than in Western European countries. This paper explores different factors at play in Poland. First, the paper focuses on the context of legal and institutional arrangements made in the beginning of the 1990s. However, special attention is also paid to the introduction of directly elected mayors in 2002 and its influence on the relations between the legislative and executive powers. Second, it elaborates on the impact of the changing political environment and political parties on municipal councils. Finally, it deals with the recent reforms, inspired inter alia by the paradigm of the New Public Management, a shift from the traditional government to governance as well as the concept of DIY democracy. The analysis conducted is based on empirical data obtained from the National Electoral Commission (Pol. Państwowa Komisja Wyborcza - PKW), the Centre for Public Opinion Research (Pol. Centrum Badania Opinii Społecznej - CBOS), and the results of several other projects that have already been conducted in Poland and have focused on the changing position of municipal councils and councillors (Kowalik 2003; Piasecki 2004; Swianiewicz 2008; Swianiewicz 2010; Kwiatkowski, Modrzewski, and Patek 2011). The author also refers to the results of the survey and interviews she conducted in 14 municipalities from the Mazowieckie, ódzkie, Podlaskie and Lubelskie regions. Thirty in-depth interviews were conducted between September 2010 and April 2011 as part of that research. The article concludes that although during the last two decades formal responsibility of municipal councils remained unchanged, one cannot fail to discern a decrease in their factual accountability for the outcome of the governing processes. The role of councillors as decision-makers, administrators, and even representatives of local communities continues to diminish. Therefore, municipal councils today should be perceived as co-partners in the process of governing rather than a cornerstone of local democracy.

FORMAL PEER REVIEW AS AN INSTRUMENT FOR THE DEVELOPMENT OF RESEARCH AND INNOVATION STRATEGIES (RIS3) BY EUROPEAN REGIONS

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In June 2011, the European Commission launched the Smart Specialisation Platform (S3 Platform) to support its regions and Member States in developing their research and innovation (R&I) strategies. This new facility is there to help European regions to define their R&I strategies based on the principle of smart specialisation (S3). The S3 concept is seen as an important logical step to reaching the goals set by the European Union (EU) in the field of research and innovation (Europe 2020 strategy). Each region is encouraged to identify its own assets and R&I strengths so that it could then focus its efforts on a limited number of justified priorities. While some regions are quickly advancing with the development of an original regional innovation strategy for smart specialisation (RIS3), other regions are either struggling to focus on clear priorities or tend to reproduce other regions' strategies. To address this divide, the S3 Platform team has developed and implemented a peer-review methodology to assess the smart specialisation strategies drafted by regions. The first RIS3 peer-review workshop was organised by the S3 Platform in January 2012, and four additional workshops have been organised since then. Over twenty regions have to date volunteered to be reviewed by their peers during these workshops. During each workshop, a limited number of regions (from four to six) present their RIS3 strategy for examination by their peers (representing around 15-20 European regions). These peer regions are involved as equal 'critical friends'. During peer-review sessions, policymakers from different regions work together with their international peers on a range of RIS3 issues. As a result, participation in peer-review workshops can allow regions under review to examine their RIS3 strategy from the perspectives of other regions with an ultimate goal to improve their policymaking, employ best practices and follow tested

standards in the R&I policy area. In addition, these peer-review events provide a good opportunity for regional policymakers to network with their international counterparts, where such networks could be tapped for solving any common regional policymaking issues. Over the last twelve months, the RIS3 peer-review workshops organised by the S3 Platform proved to be very popular with the European regions. Yet there is only limited evidence of the impact of such peer-review on regional policymaking, with a number of questions remaining unanswered. What are the reasons motivating EU regions to undergo peer-review and how do these motives evolve over time? To what extent do peer-review exercises assist EU regions in the further development of their RIS3? Furthermore, while formal networking is generally promoted as a critical resource for building a sustainable and productive community of practice, it is not clear if the S3 Platform can contribute with its peer-review workshops to the creation of transnational knowledge and information sharing platforms (communities of practice). Do regional policymakers who attend these peer-review workshops perceive any added value in driving future cooperation with the 'critical friends' they meet during these exercises in order to establish their own professional networks and communities of practice? While the European Commission uses peer reviews as a tool at a Member State level in a number of policy areas for some time now, its effectiveness still appears to be an under-examined phenomenon in the context of regional policy-making. This conference paper will attempt to close this gap and will evaluate the role of the peer review exercise in the process of the development of RIS3 strategies by European regions.

Gateway C

MINIMUM LEVELS OF SERVICES OF GENERAL INTEREST – WHAT FUNDAMENTAL RIGHTS DO INDIVIDUALS AND ENTERPRISES HAVE?

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The European Union is currently experiencing a period of significant upheaval. The financial crisis, structural changes in the economy and population decline in many regions combine to make a difficult situation even worse in respect of SGI. To mitigate these problems EU policy on economic, social and territorial cohesion aims to remove regional differences and to otherwise affect policies to ensure the right to the same service status regardless of localisation. In a market-driven economy questions of general supply in all geographical locations become an important issue as profitability may be low or insufficient in disadvantaged and/or sparsely populated areas. The efficiency and quality of SGI is essential for the competitiveness and cohesion of the society as well as in overcoming social exclusion. The notion of spatial dimensions also has a significant impact on Services of General Interest (SGI) provision as the perception of equitable supply is a fundamental tenet of a fair and democratic society. Territorial cohesion as a concept signifies the intent to remove regional differences and to seek to affect policies to the extent that all EU citizens' rights to the same service status are secured regardless of localisation. This paper aims to discuss what a minimum level of SGI means to individuals and enterprises. The study proposes three questions that need to be answered: (1) how are rights in respect of SGI defined in the key EU policy documents? (2) Is a differentiation made between individuals and enterprises in terms of their access to SGI as a right? (3) Is the issue of minimum levels of service provision actively discussed? To answer these questions a number of key EU policy documents are analysed. This paper aims to produce a qualitative discourse analysis relying significantly on the official policy documents published by the EU. Additional information is taken from other relevant policy documents as well as from research reports and articles. The main empirical data used to support the discussion comes from five chosen key documents. These are, the Green and White Papers on Services of General Interest and the Communication of Social Services of General Interest by the European Commission 2007, the Europe 2020 strategy and the Territorial Agenda. A brief introduction to some of the basic localisation theories is used to support the discussion on territorial cohesion in policy making and universal access to SGI. Even though the basic components of the theories differ from the concept of SGI they are nevertheless useful in that they provide a conceptual understanding of spatial patterns which is needed in the analysis of distribution in relation to territorial cohesion. The theoretical chapter also contains some references to rights theory. This introduction should not be seen as an exhaustive discussion of rights and Services of General Interest but rather as simply a way of establishing the connection between localisation, territorial cohesion, ideology, needs and rights. The key EU policy documents offer no guidance in terms of defining what a minimum level of SGI is, for either individuals or enterprises. It is up to

the member states to define the thresholds; national policies, traditions and moral values thereby create a vague and heterogeneous notion of what constitutes a minimum level of SGI provision.

Gateway L

UNEMPLOYMENT AND LABOUR MARKET INSTITUTIONS: A CROSS SECTION REGIONAL ANALYSIS OF PERIOD DATA

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Unemployment reflects the overall demand for labour in an economy. A modern economy with dynamic labour market institutions will experience lower levels of unemployment than a traditional industrial or agricultural economy with rigid labour market institutions. To some extent the structure of an economy and how diversified it is will be reflected in the demand for labour. Unemployment can be seen as an indicator for the overall demand for labour. In Europe today especially four groups experience high levels of unemployment: young adults, immigrants, women, immigrants and persons aged 50+. These groups are given a special attention in the EU policy documents such as Europe 2020 and the Territorial Agenda. Unemployment is not evenly distributed over the EU territory. The EDORA typology with five types – predominantly urban, agrarian, consumption countryside, diversified with strong secondary sector and diversified with strong market services – will be used to analyse the unemployment for young adults, immigrants, women immigrants, persons aged 50+ as well as the total unemployment. The economic structure and economic diversification in these five types can be assumed to generate different demands for labour. Furthermore, the functioning and dynamics of the labour market and its institutions can also be assumed to differ between the five types. This study aims at analysing unemployment in the five EDORA structural types in EU and Norway for the years 2006 and 2007. Three research questions are proposed to be answered in this study: (1) which kind of regions experience high unemployment pre-2008 crisis? (2) Why does unemployment differ between the different EDORA structural types of territory? (3) Why are labour market institutions static and unable to adjust to structural changes in the economy at the regional level? The theoretical framework used here is an elaboration of the theoretical frameworks presented by Rauhut and Kahila (2008, 2012) and Kahila and Rauhut (2009), which contain elements from institutional economics, the segmented labour market theory and New Economic Geography. Three hypotheses will be tested in this study by a qualitative discussion: (1) regions with a non-diversified economic structure will have a relatively high unemployment as the demand for labour is focused on very specific sectors; (2) Regions with a diversified economic structure will experience relatively low unemployment as the demand for labour comes from many different sectors and branches; and (3) If hypotheses 1 and 2 are confirmed, something is obstructing an efficient and functioning regional labour market which is able to respond to supply changes at the labour market in a dynamic way. The used empirical material is collected from the Eurostat regional data base and used in a descriptive way. The findings suggest that the explanation for why agrarian regions and regions dependent on the secondary sector experience a relatively higher unemployment compared to regions with a strong private service sector and predominantly urban regions lies in the dynamics of the labour market. These findings are not only valid for the total unemployment, but also for the unemployment for youngsters 15-24 years old, women, elderly labour aged 50+ and immigrants.

Gateway A

INTERNATIONALISING REGIONAL INNOVATION FACTORIES. ENABLING INNOVATIONS BEYOND NATIONAL INNOVATION SYSTEMS

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This paper introduces four policy models that may guide the orchestration of internationally oriented innovation policy. The national facilitating, bridging and inclusive models may be utilized to coordinate international innovation policy. Models may be further adjusted to support the endogenous internationalization of regional innovation factories, and more precisely, members of the innovation communities that innovation factories host and breed. In practice, this study introduces and categorized the main policy models deployed or emerging in Finland and suggests the next steps by introducing the relevant

policy models (or their elements) from other countries, still lacking from the Finnish policy-tool-kit. The main objective is to come up with a systematic framework to conduct policy planning related to intentional internationalization of innovation system. Real-life examples of policy measures, relevant actors and governance mechanisms are discussed to illustrate the framework. The data for the project was gathered literature, policy papers, interviews with policy relevant stakeholders (30) and from relevant scientific seminars and conferences (11).

Gateway QVI

WHY DO CLUSTERS CHANGE? AN EXAMPLE OF THE SWEDISH MED-TECH INDUSTRY

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This paper presents findings of a case study on the evolution of the medical technology (MedTech) cluster in the Skåne region in Southern Sweden. Despite big success stories in the past, the industry has more recently been described by regional and national industry associations as 'losing its distinctiveness'. This has prompted a series of initiatives by regional and national actors aimed at, on the one hand, enhancing collaboration between industry, universities and health care organizations in the region; and on the other hand, linking this cluster into increasingly global networks. Notwithstanding the merits of such initiatives, it is important to ensure these are related to actual processes and dynamics that shape the trajectory of industry clusters. Do these initiatives enhance localized capabilities, do they align with technological trajectories and how do collective interests match up with the strategies of individual firms? An emerging body of work on industry evolution and cluster change points to various factors that shape the trajectory of industry clusters. Some are internal to the firm, industry, technology or the region, other triggers could be considered exogenous. Moreover, the impact of specific factors is likely to change over time depending on the context, where what were once drivers of growth can prompt the cementation of institutions that hinder future adaptation and development of the cluster. This case study aims to contribute to this body of work by investigating cluster dynamics in terms of the co-evolution of three dimensions: technology, industry structure and institutions. The MedTech sector is interesting from an evolutionary perspective as it can be characterized as a rather heterogeneous industry, encompassing high-tech devices used to diagnose, prevent, treat or prevent a disease, injury or handicap; as well as low-tech devices that assist in the care of patients. Firms in this sector have strong relationships to pharmaceutical and biotechnology firms in order to develop integrated delivery systems, but they also draw heavily on experimentation, testing and evaluation in clinical settings to develop and improve their products. Furthermore, this cluster includes several large, globally connected firms, and many smaller firms contributing to the variety of this cluster, together forming a so-called ecosystem in which new ideas, talent and collaborations can 'grow up' and mature to ensure continued dynamism and innovation. However, despite future growth forecasts for this industry due to increasing demand from an aging society, regional cluster performance in an increasingly global industry will rely on alignment and co-evolution of the three dimensions of technology, industry structure and institutions. We investigate questions such as whose agency impacts the trajectory of the cluster? How do new technologies, institutional and organizational forms get selected? What role can policy and governance play in shaping the competitiveness of clusters?

Gateway L

SELF-EMPLOYMENT IN POST-CRISIS UK – UNDERSTANDING THE ROLES OF HOUSING AND MIGRATION CHOICES

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Since the economic crisis in 2007/08 the UK housing market has slowed dramatically with prices falling sharply and many owners unable to sell. At the same time, self-employment rates have risen in Britain (Northern Ireland is an exception). Recent migration research suggests that internal migration as a labour market

adjustment continues on a long term downward trend. This paper explores the extent to which this rise in self-employment has been fuelled by homeowners losing their jobs and, being unable to migrate to find an alternative job, elect to become self-employed. The connections between self-employment, housing choices and migration have been poorly understood to date. One strand of literature that may provide a framework to shed light on these connections looks at the link between unemployment with housing wealth and housing tenure. It is argued that homeownership and decreasing local house prices can prevent households from migrating and that therefore homeownership can increase unemployment. Yet self-employment has not been theorised or empirically explored in this research. Micro-economic studies have shown a link between housing market conditions and self-employment in the UK. The paper examines the effect of local house price changes on the probability of moving into self-employment. It could be hypothesised that people in regions/localities that have experienced the greatest house prices decreases since the financial crisis are more likely to become self-employment rather than to migrate for a new job. The paper goes on to examine the influence of a range of factors on the series of choices made by homeowners after becoming unemployed. The first choice is whether to migrate or not, mediated by perceived and actual probability of being able to sell their property. Those who do not migrate then face the 'choice' of whether to remain unemployed, withdraw from the labour market altogether or become self-employed. The analysis is based on existing large secondary data sets for the UK: the new UK Household Longitudinal Study (Understanding Society), the British Household Panel Survey (BHPS) and the Labour Force Survey (LFS). The first two available waves of Understanding Society (2010 and 2011) are used to estimate relations between individual's employment choices, housing tenure, perceived house price changes and migration in post-crisis UK. The BHPS provides longitudinal data on individual's employment, housing and migration choices before the financial crisis (1991-2008). Data on local and regional house prices changes (Halifax House Price Index) are linked with quarterly and longitudinal samples of the LFS to estimate the effects of changes in local house prices on self-employment probability.

Gateway A

DEVELOPING A REGIONAL ECO-INNOVATION STRATEGIC FRAMEWORK

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'Sustainable growth' is widely discussed as a preferred strategy to address resource use and environmental challenges. In a period of low or negative levels of economic growth in many developed countries, it is also seen as a way of stimulating new value creation in a sustainable way. One element of the sustainable growth agenda is eco-innovation, the creation of new products, services and systems that reduce resource use and harmful environmental impacts. Whilst regulatory instruments and taxation changes are national or supra-national, one of the key challenges is the development of an eco-system approach to eco-innovation at the regional level. The paper presents the emerging results from a trans-national European project (Eco-Innova) that has developed a regional eco-innovation framework and implemented an eco-innovation knowledge exchange platform (currently in beta version). It draws on the research and experiences of the project, which consists of partners from four countries: the UK, France, Spain and Portugal. Research with companies and intermediaries in the four countries has led to the development of the regional level strategic framework for eco-innovation, which consists of eight thematic areas: commercialisation; information and intelligence; Challenges, competitions and awards; Stimulating the demand side – procurement; building the eco-innovation triple helix; Networking and collaboration; Pilot and demonstration projects; eco-innovation funds. These are the elements of the eco-innovation ecosystem identified by the research. The framework has been informed by three levels of eco-innovation: Micro (product or service, process, company) Meso (sector, supply chain, region, product system/service system); and Macro (economy-wide: nation, economic blocks, global) Developed for the project consortium in the UK, France, Spain and Portugal, the strategic framework also offers a generic template for regional policy. It has a particular emphasis on the development of a systemic approach to eco-innovation, combining a meso-level spatial framework (regions and localities) with a micro-level focus on firms' needs. Many of the challenges in driving eco-innovation (products, services, business models) are akin to generic innovation challenges. However, there are also specific issues in driving eco-innovation – based on market failure, lack of information, and low levels of collaboration and networking. The paper addresses the eco-innovation and commercialisation challenges for companies (around themes such as market intelligence, financing, networking and collaboration) in a regional context. The paper describes the main attributes of the eco-innovation knowledge exchange platform, which brings together eco-innovation

supply and demand factors. The paper makes two contributions to knowledge on eco-innovation and regional innovation. First, it brings together a micro-level focus on business eco-innovation needs and opportunities with a meso-level focus on regional eco-innovation eco-systems and policy (regional eco-innovation framework). Second, it relates the experiences and issues in developing an eco-innovation knowledge exchange platforms for companies, consultants and R&D specialists. To our knowledge, this is the first eco-innovation knowledge exchange platform. The project consortium (consisting of incubators, regional development bodies and a University) has shaped the platform through its particular combination of knowledge and skills.

Gateway I

SMART SPECIALISATION - IS THERE ANYTHING NEW FOR FINLAND?

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European Commission is promoting smart specialisation (SmSp) concept as a part of its new cohesion and innovation policies. Smart specialisation is one of the main concepts of the Innovation Union flagship initiative and it is considered essential for truly effective research and innovation investments and a means to enhance regions' innovativeness and competitiveness (McCann & Ortega-Argilés 2011). The concept is an important part of the new Europe 2020 strategy and drawing up regional research and innovation strategies for smart specialisation will be a pre-condition for using the European Regional Development Funds for research and innovation investments (European Commission 2011). Finland can be considered as a forerunner when it comes to renewing innovation policy and creating new innovation strategies. The Centre of Expertise Programme (CEP) has been discussed as the Finnish experience from smart specialisation and it is the centerpiece of regional innovation policy in Finland, but can one really draw parallels between the CEP and SmSp strategies? Smart specialisation is a policy concept first presented by Foray and Van Ark (2007) and then further developed in 2008 by a group of academic experts. It gained almost immediately a lot of attention in policy arenas and made an impact on the policy audience (Foray et al. 2011). The concept has with no doubt been discussed in various political arenas and publications, but it has not yet received much academic attention in the form of academic publications, regardless of its origins. This study attempts to dig deeper into the SmSp concept in Finnish innovation policy context and find answers to the following research questions: What is smart specialization? What similarities and differences can be identified between SmSp and the CEP? Are regional SmSp strategies already drawn up in Finland due to the CEP? Empirical material for this study consists of literature and documents concerning smart specialization and key documents of the CEP from the latest programme period (2007 – 2013). Previous programme periods are also discussed shortly but detailed analysis is focused on the ongoing programme period. Finnish national and regional innovation policy is with no doubt ahead of many other regions in Europe. Analysis of the empirical material shows that there are both many similarities and differences between SmSp and the CEP. Based on the findings the author claims that creating truly region-based strategies matching with the ideas of SmSp can not be considered done by the CEP. This study contributes to the current discussion on national and regional innovation policies. It presents the theoretical and practical ideas behind the SmSp concept and compares them to the premises behind the current Finnish innovation policy. The study relates to discussion on innovation and regional policies by claiming that even though Finland can be considered as a good example for many regions, it could also benefit from creating even better, truly region-based strategies by assessing and highlighting each region's innovation potential and competitive advantage. With this study the author also wants to raise the smart specialisation concept to academic discussion in Finland and increase understanding regarding this new policy concept in Finnish innovation policy context.

THE PERFORMANCE OF ITALIAN FIRMS BEFORE AND DURING THE CRISIS: A REGIONAL ANALYSIS

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The objective of this paper is to analyze the dynamic performance of Italian firms over the past decade to test the role of the productive sector and the geographical location. In addition to describing a first geography-scale macro-territorial business performance, it was possible to see how specific location factors are associated with such results. The size of the firm is the third indicator, in addition to the economic sector and region, which explains the difference in business performance. With data obtained from the archives of the financial statements of Italian companies (AIDA Bureau Van Dijk), we define the virtuous firms according to two complementary approaches. The first is based on an ex-ante definition of the variables that can identify successful businesses: the ROI (return on investment) as an indicator of profitability, value added per employee for the productivity and change in turnover as an indicator of firm's growth. The "virtuosity" is defined if the company's performance exceeds the average values of the variables before and during the crisis (2002-2007 and 2008-2010) in the elementary sectors at national level. The number of "virtuosus" companies is obtained by an appropriate combination of the three variables levels and their persistence in time. A second method to obtain the number of virtuous firms is to use discriminant analysis applied to the three variables considered in the two periods. We have obtained some interesting evidence of the relationship between the variables that define the virtuosity, including a positive relationship between the profitability and the labor productivity. For all three variables of profitability, productivity and growth in both periods there is a close relationship with the company size in terms of revenues. The economies of scale that appear to affect significantly the company's performance. The geographical role has been investigated primarily through the regional breakdown. Then the performance data of companies are associated with some indicators of local competitiveness and sustainability planning at the provincial level, using the ESA model (Dallara and Rizzi, Regiona Studies, 2012). In this framework, a territorial system is analyzed not only in economic terms but also in social and environmental issues, with a strong innovative component of the ESA model compared to other descriptive tools of local systems in the literature for introducing aspects of territorial strategies and policies. At the regional level, there is a close link between the index of virtuosity and macro-variables describing the economic, social and environmental dimensions of the provinces in which they are businesses. In the Northern provinces of the country with the stronger size of the economy and society dimensions (in terms of structure, performance and strategies) also firm's average virtuosity is higher.

ASSESSING THE INNOVATIVE ROLE OF BALLYHOURA DEVELOPMENT WITHIN A REGIONAL CONTEXT

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Ballyhoura Country is an authentic and unspoilt rural area of North Cork and East Limerick (Republic of Ireland). It is an example of a rural community that found itself in an economic slump during the 1990's and took innovative steps to reverse this trend (Robinson and O'Connor, 2012). Traditionally a region of smallholding farmers, Ballyhoura was once dependent on declining subsidies and had no ready economic alternative to agriculture. Small scale farms were closing down as large farms struggled to compete in European and International markets (Curtin, Haase and Tovey, 1996). At this time the Irish state and the European Union EU began to avidly support the expansion of rural regional development (Deegan and Dineen, 2000). There was a new emphasis with regard to rural development policies with alternatives being sought to combat the decline in Ireland's agrarian base (Mc Donagh, Varley and Shorthall, 2009). Through LEADER Programs agrarian Ireland began to embrace regional development.

Today, Ballyhoura has discovered opportunities in the same globalized knowledge economy that formerly threatened it, by embracing rural development (Robinson and O'Connor, 2013). Ballyhoura Development (BD) sets policy frameworks and strategies in place to diversify from agriculture, new innovations and local initiatives were introduced to promote the region in terms of quality of life of its residence and the diversification of the economy, as developing diversified employment is vital to sustaining the rural economy (O'Donoghue, Ballas, Clarke, Hynes and Morrissey, 2013). BD and Ballyhoura Fáilte (BF) were set up to realise these frameworks and strategies. This paper will assess the innovative role played by BD in developing the rural region of Ballyhoura by explaining how the organisation works and contributes to regional change. The results indicate that BD are successful in relation to implementing plans and strategies which aid in enhancing the quality of life of the local residents and diversifying the economic base of the region. BD utilise a bottom-up or grass roots approach which relies on community collaboration and integration as well as funding.

Gateway A

EVALUATION OF THE THIRD ACADEMIC MISSION: MERELY 'IMPRESSIONISTIC'?

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In the last decades, universities have moved from focusing exclusively on two missions – teaching and learning, and research and scholarship –, to be considered as key economic and cultural development actors, transforming themselves into institutions engaged with industry and society at large (e.g., Etzkowitz and Leydesdorff, 1999; Vorley and Nelles, 2008). This relationship between higher education and society is generally considered as the third mission of universities. As in Tuunainen (2005), the 'third mission' encompasses a wide range of activities involving the generation, use, application and exploitation of knowledge and other university capabilities outside academic environments. The 'third mission' is part of most university mission statements and is alluded to in almost all institutional discourses. As such, in a context characterised by what some authors call the rise of the 'evaluative state' (e.g. Neave, 1998), third-mission related activities did not escape the 'energetic' evaluation dynamics to which higher education institutions are being subjected. However, it is still not clear how this area is actually assessed in higher education. Therefore, the focus of this article is to understand how the 'third mission' is actually measured, reported and acted upon in universities. The intent is to know more about: i) what kind of measures are used to assess the 'third mission' and who measures the way the university is performing in that area; ii) what kind of reports are produced with the information collected, who produces those reports and in what committees or to whom are they shown to; and, more importantly, iv) how is the data gathered used for improvement purposes. The research reported in this paper draws on a comparative study between a British and a Portuguese university. Mixed methods were used to collect data. These included documentary analysis and semi-structured interviews. The documents analysed comprised national legislation and institutional policy and strategic documents. The interviews were conducted to seventy-six relevant people relevant to the 'third-mission' development and assessment (thirty-seven in the British university and thirty-nine in the Portuguese university).

Gateway J

REGIONAL PPP DEFLATORS AND CONVERGENCE ANALYSIS

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The issues concerning the evolution of regional income disparities in Europe have been always present in any discussion about the necessity of running active regional policies both at the level of the Community and particular Member States. Such a discussions have confronted both economists and politicians since the end of the 1980s when the first multiannual financial perspective was introduced. The subject is particularly important from the point of view of the EU cohesion policy where the poorest regions and countries benefit most from the structural interventions. This paper investigates the possible impact that may have the inclusion of regional PPP deflators, on the results of regional income convergence analysis. In particular it shows what

happens to the level of regional income disparities and their evolution over time. Regional PPP deflators are estimated in accordance to the common Eurostat/OECD methodology. Although it is used to allow income comparisons between different countries it may also be applied in order to compare real income level between different regions within the same state. The deflators are afterwards used to adjust the data on regional per capita GDP. This data is in turn applied in the convergence analysis. Here we use data on Polish NUTS2 regions, covering the 2000-2010 period. Up to now, all the studies and analyses were based on the data expressed either in current prices or PPP calculated at the level of state. The lack of studies concerning regional income convergence, that rely on regional PPP deflators, cannot be really surprising. The main problem here is the absence of necessary statistical data on regional prices. This is the reason why we focus on Poland, where such data is available for 16 regions at the NUTS2 level. In any case, Poland also seems interesting as a Member State which currently is the biggest beneficiary of the EU cohesion policy programmes. We find that the introduction of regional PPP deflators leads to a decrease of regional income dispersion at the NUTS2 level, expressed by the sigma convergence. Yet, the general pattern of evolution of regional income disparities does not seem to be altered by the PPP deflators. We confirm that they tend to increase during the last decade. It has to be recognized though that the analysis described above is a very simple one. It may seem then, that the regional PPP deflators do change convergence patterns once undertake more detailed study (e.g. including possible spatial interactions).

Gateway QII

PUBLIC PROCUREMENT OF INNOVATION AS EXOGENOUS POLICY – ENDOGENOUS INSTITUTIONAL INTERACTION

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Using public procurement as an innovation policy tool has increasingly received attention (Edler and Geoghiou, 2007; Rolfstam, 2009; Uyarra and Flanagan, 2010). The underlying idea is that public demand for innovative goods and services can stimulate firms' commitment to innovation and thereby gain competitive advantages in a global economy. This policy development has evolved since the Millennium shift, and the ambition back then to increase R & D investments from the level of 1.9 per cent of EU GDP in 2000 to 3 per cent of EU GDP in 2010. Public procurement was seen as a direct measure that could be used to increase private sector R & D (Guy, Tsipouri et al, 2003), as it made out "a major component of demand" in many sectors (European Commission, 2003, p. 20). Even if the Lisbon goals appears not so much discussed today, public procurement has remained on the innovation policy agenda. Public procurement is explicitly mentioned as a means for Europe to recover from the current state of innovation emergency (European Commission, 2010). In sum, the current policy interest could be seen as a re-discovery of earlier insights that "procurement policy is, in general, a far more efficient instrument to use in stimulating innovation than any of a wide range of frequently used R & D subsidies" (Geroski, 1990, p. 183). Although the literature supports in general the claim that public procurement of innovation may be able to facilitate and promote innovation, there are reasons for moderation of the claims regarding the expected benefits of this policy development. It appears at least to be a gap between the protagonists' bold claims about the virtues of using public procurement as an innovation policy instrument, and what can actually be expected from its implementation. This is for example why Uyarra and Flanagan (2010) suggest a focus on promoting innovation-friendly procurement practises in general, rather than thinking of public procurement of innovation as a strategic policy tool. Accordingly, this paper sets out to induce a discussion on the potential tension between the evolution of public procurement of innovation policy evolved through exogenous STI- mode rationalities versus public procurement understood as an endogenous activity more closely associated with DUI-mode learning (see Jensen et al., 2005 for a discussion on DUI versus STI modes of learning). Drawing on an institutional framework underscoring the importance of multi-level institutional analysis, taking into account actors operating with different rationalities, and the tension between endogenous and exogenous institutions (Rolfstam, 2012), this paper sets out to pinpoint some complicating aspects relevant for a discussion on the implementation of public procurement of innovation policies. The perspective taken here is slightly different from what typically is the focus in regional studies on innovation, i.e. "how to create new institutions or transform existing ones governing economic performance to match...the constantly evolving global knowledge economy" (Sotaraouta and Pulkkinen, 2011, p. 96). The special interest here assumes a perspective where innovation policies are treated as exogenous to

the local context in which it is supposed to be implemented, which in turn attracts attention to the challenges of matching policy with local contexts.

Gateway QVI

CREATIVE CLUSTERS DYNAMICS: HOW TO BEST CAPTURE IT? A CASE STUDY OF ENTERTAINMENT AND EDUCATIONAL SOFTWARE IN THE NORTHWEST OF PORTUGAL

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Traditionally, agglomeration of creative activities occurred spontaneously, emerging from the interstices of the planning practices, and this situation will probably continue. However, in the last decade the scenario has changed considerably. The creative industries agenda become closer to political economic development strategies, through its contribution to employment and income, and its positive influence on innovation and R&D strategies. Likewise the link between urban regeneration and real estate development has now become a central driver in urban planning, making spontaneous clusters less likely. Creative industry clusters are, therefore, increasingly being purpose built as part of a broad strategic vision of urban and regional development. There is a large volume of literature on creative clusters. However there is a literature gap in empirical studies on creative clusters life-cycle. Literature frequently points out that, as clusters are dynamic, interventions that are appropriate in the early stages of cluster development do not fit the later stages. So, if in emerging clusters it is essential encouraging collaboration and support informational fluxes, for mature or declining clusters, it is essential to encourage openness and innovation to prevent local and regional lock-in. Nevertheless empirical studies frequently analyse clusters performance and dynamics using quantitative methodologies. Understanding the different elements of clusters and their respective performance is an important step in identifying where clusters might be strong or weak and where subsequent intervention might be appropriate, and this must involve quantitative methodologies but also qualitative analysis. This kind of methodologies is particularly important when we are analysing creative clusters. The particularities of creative industries - business atomization (micro-business and freelancers), the great importance of the territorial context, the importance of informal networks between creators and reputation and the frequent overlap of value creation over the business, among others – are hardly perceived by quantitative methodologies. This paper explores what are the drivers that influence the creative clusters life cycle and how are they best captured by empirical studies. The study as the creative cluster in the Porto-Mega-City Region, and specifically those dynamics related to entertainment and educational software, as a starting point to this analysis. This territory has been focus of recent policy efforts of regional and national policy makers, aimed at creating a creative cluster based on the potential of its endogenous resources and emergent dynamics.

Gateway H

STRATEGIC DEVELOPMENT OF THE COMPLEX REGIONAL CULTURAL ECONOMY: TWO FINNISH CASE STUDIES

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This paper examines the development of two Finnish regional cultural phenomena, Creative Tampere Program and the music scene of Seinäjoki region, from an evolutionary perspective. This paper asks: how can regional developers strategically interact with emergent cultural phenomena in order to support and take advantage of the regional cultural economy? In this paper the regional cultural activities are seen as a complex phenomenon which can be strategically developed to some extent. Cultural activities can be roughly divided to four different forms of regional cultural capital which interact with each other in complex ways. When culture has cultural value and it is the product of emergent processes, we can speak of 'emergent avant-garde'. This kind of activity is outside of the realm of public policies and cultural institutions. This can mean various kinds of marginal phenomena, for example graffiti artists, punk bands or independent artists. New cultural content often emerges from this kind of cultural activity. Public cultural policy and cultural institutions also have cultural value but they are within planned and deliberate cultural activities from the point of view of public

actors. The term 'high culture' could also be used in this context. Emergent culture which has economic value refers to the part of cultural capital that is most related to profit making and is relatively independent from public support measures. It can be called cultural industries. Finally, there is the deliberate, public and strategic cultural activity which has economic value. This kind of cultural capital consists of regional development efforts which support the cultural activities of a region in some way. This activity could mean straightforward policy measures to support the local cultural economy and for example the funding of start-up companies which make use of cultural content. The two case studies are analysed within this framework of regional cultural capital. Both of the case studies presented here are combinations of emergent cultural processes and deliberate strategic actions of public development agencies and cultural policy actors. Creative Tampere was a development program which took place between the years 2006-2011. One of the aims of the program was to develop the local and regional cultural economy and to support creative entrepreneurs. Although Creative Tampere case represents more or less a top-down perspective of cultural economy development it was able to support emergent cultural processes within the program. In the Seinäjoki region there has been a deliberate development process of the local music scene especially during the last ten years. However the scene and its most important actors have established themselves through a long and emergent process which has took more than 30 years. In this way Seinäjoki and its music scene represents more of a bottom-up perspective of cultural economy development process.

Gateway A

KNOWLEDGE ECONOMY 2.0 AND TERRITORIAL INNOVATION MODELS

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In all its diversity the literature on territorial innovation models (TIMs) is very much an attempt to conceptualize the realities of the knowledge economy into a coherent explanation of how learning and innovation contribute to regional economic development. The knowledge economy is loosely defined as a state of economic development where knowledge is the most strategic resource and learning the most important process. It is argued to have emerged in the developed economies of the West from the mid 1980s onward and that it differs importantly from the preceding post-Fordist economy with regard to the organization of production and innovation. One of the cornerstones of the TIM literature is the notion that knowledge and learning have a spatial dimension and that the advent of the knowledge economy has given new urgency to conceptualizing this spatial dimension. The TIM literature attempts to do so by connecting the economic geography literature to the networks and innovation and to the learning organization literatures. This resulted in a view of learning as an organized process that takes place in firms and inter-firm networks, and of regions as reservoirs of knowledge and as having characteristics such as culture and social capital. In its present form, the notion of the knowledge economy was introduced in the TIM literature in the early 1990s and has not substantially evolved since. This paper questions that notion of the knowledge by arguing that theoretical developments on knowledge and learning as well as economic transition and technological progress, particularly in the last decade, are not adequately incorporated into how the TIM literature understands the knowledge economy. Particularly in recent years a relational and cognitive “turn” in the TIM literature has resulted in increasingly sophisticated conceptualizations of the process of regional learning and a shift from “regions” to “space”. On the other hand, this “turn” bestowed upon the TIM literature a rather narrow focus on agents and their relations which raises several issues, such as: - The conflating of individuals and firms as agents of learning, thereby overlooking important micro dynamics affecting regional learning. - The focus on regional learning prioritizes intra-regional relations and intra-regional dynamics which obscures macro level impacts on regional learning. - The relational and cognitive turn leaves implicit how regional learning contributes to regional economic development, particularly as the notion of regions as bounded territory is replaced by one of space as a continuum of opportunities. The more sophisticated conceptualization of knowledge and learning and the economic and technological transition urge the development of a new conceptualization of the knowledge economy; knowledge economy 2.0. This enables the TIM literature to build a more accurate understanding of how space, on a micro and macro scale, affects regional learning and how regional learning may contribute to regional economic.

MEGA SPORTING EVENTS AND THE NEW URBANIZATION PROCESS: THE CASE OF THE 2014 WORLD CUP

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Mega sporting events are defined as events that have a significant dimension, with a short duration, organized in a city, region or country. It attracts a large number of participants and spectators have an appeal for the media internationally and express a broad economic investment in infrastructure, logistics and security services by the host city or country. Mega sporting events can help to fund, accelerate and showcase urban development. These events have contributed to the realization of urban transformations, following the example of specialized sites, business plans and infrastructure modernization. On the other hand, mega sporting events can trigger inefficient urban projects, because they are in the wrong place, since they have an inadequate size or simply for the reason they are unnecessary. Furthermore, these events can attract stakeholders with a short-term perspective. The assessment of mega sporting events is a relatively new field of study. It has grown in importance in the late twentieth century, according to the impulse of modern sport as a true factor of economic production, leisure, tourism and the promotion of cities. In addition, fundamental changes have recently occurred in the process of capital accumulation, such as the growing importance of services, and as a consequence it resulted in different forms of urbanization. This transformation basically consists of creating spaces oriented to leisure visitors, such as real estate and hospitality. of note is the growing number of cities included in this new reality, here called urban tourism. This strategy aims to increase foreign investments, attracting arts, cultural and sporting events. In addition, it tends to utilize business techniques in the administration of the municipalities and urban entrepreneurship. From these assumptions, different cities have tried to attract such happenings. The Football World Cup has become a mega sporting event. At the same time, the mentioned competition became a multinational business with huge budgetary allocations. The objective of this research is to measure the economic, social, urban and tourist impacts of mega sporting events, especially those related to the 2014 World Cup. It intends to enrich the methodologies and indicators for evaluating these competitions. It proposes to construct a database in order to extend the range of analysis of these tournaments covering broad transformations and interrelationships with the urbanization process. Thus, the overall objective of the study is to find out the preparation, organization and implementation of the 2014 World Cup in Brazil. This research will examine whether that tournament will represent a positive legacy, and a long-term urban development factor. It is important to mention that this is a research in progress. The study utilizes complementary qualitative and quantitative approaches to address the problems and contemplate the above mentioned objectives. The techniques used are: a) Documentary analysis of the 2014 World Cup planning, including investments and budgets related to the event; b) Analysis of public and private data sources; c) Utilization of an input-output matrix of Brazil. Preliminary results indicate that the official budget of the 2014 World Cup achieved roughly US\$ 15 billion, being made up of about 120 projects in the twelve host cities. This budget is divided into urban mobility, airports, stadiums, security, ports, telecommunications and tourism. The input-output model used indicates that the World Cup will produce a remarkable effect from investments made in the country. The economy could quintuple the total investments related to the mega-event. Meanwhile, due to the Brazilian economic and social inequalities, it is difficult to imagine that the World Cup will solve the urban problems without complementary development policies. There is evidence that the changes that are taking place in the urban dynamics of the host cities involve the logic of planning related to urban tourism. In short, the stage of the impacts of the 2014 World Cup will not be the result of isolated factors, but a set of interrelated ones. The effects of direct action can be reflected in a number of social, economic, and urban legacies, some of which, if they are well used, can be permanently embedded in Brazilian society. The World Cup may be used as a lever to increase investment in key infrastructure for the country's development in a shorter period of time.

RATIONALITIES OF TERRITORIAL RESTRUCTURING: THE GOVERNMENTALITY OF REGIONAL GROWTH POLICY IN SWEDEN

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New regionalism as a paradigm for regional development has gained momentum since the 1980s. Framed as an empirical theory, new regionalists describe how the contemporary political and economic challenges need to be addressed at a regional scale, as well as through new forms of governance. In short, new regionalists describe how economic restructuring, globalisation, the 'hollowing-out of the state' and European integration requires regional and local governance, rather than to rely on the capacity of the state. However, it is not only a matter of territorial/scalar restructuring. These challenges also demand new forms of governance. Common features of these forms of governance include public-private cooperation, consensus and management leadership. In this paper we approach new regionalism and regional development policies from a governmentality perspective. This means that new regionalism is understood as a particular regime of practice, and hence a normative theory, that determines what is possible and not possible to govern, and how. In other words, we are analysing the political rationalities for regional development policies and the corresponding technologies used to govern economies and politics. Governmentality studies usually focus on broad governmental themes rather than specific programmes and policies. This enables us to complement existing regional research by focusing explicitly on the frame that structures governance (the conduct of conduct) rather than the specific functions within that structure (the conduct). The empirical analysis focuses on regional policy in Sweden, a country traditionally governed by a strong central state and local self-governing municipalities. Compared to other European countries, the regional level has been relatively weak. Since the late 1990s new forms of regional agencies has been developed to increase and support regional growth processes. The development of these political bodies can be seen as an example of how new regionalism rationalities has gained momentum in Swedish policy-making. Therefore Sweden constitutes an interesting case for analysing and describing new regionalist rationalities and technologies and the concrete manifestations of these, such as which actors that are constituted as critical for economic and political governance and how policies should be produced, designed and implemented. We do this by analysing Swedish government official reports and national policies critical for the governance of regional development from the late 1990s. Our analysis shows how new regionalism, as a regime of practice, produces limitations for what is considered possible and desirable in political and economic governance. In particular, new governmental technologies, usually framed as 'innovative forms of governance' are viewed as necessary. Management forms of governance are introduced making public-private cooperation, benchmarking, best practice, storytelling and consensus vital tools to enhance the growth of regions. To conclude, we discuss the effects of these forms of governance, in terms of democracy, equality and politics.

HETEROGENEITY IN CLUSTERS. SOME CONCEPTUAL INSIGHTS ON DRIVERS OF CLUSTER DEVELOPMENT

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In their paper on cluster life cycles Menzel and Fornahl stress the elementary role of heterogeneity for a cluster's performance along its way through the life cycle. A rising heterogeneity of accessible and exploitable knowledge among a cluster's population of actors is expected to alter the overall economic performance of the cluster towards more prosperity while a declining degree of heterogeneity will lead consequently to economic shrinkage and cluster decline. But this only holds in specific stages of the cluster life cycle; in other stages the opposite effects can result. Cluster renewal is expected to occur only if a cluster's actors manage to

find and use different knowledge sources and thus raise the cluster's heterogeneity again. However, if heterogeneity is too large actors aren't able to cooperate as well due to a large cognitive distance. The possibility for the organizations inside the cluster to exploit the heterogeneity is seen to be the result of the right amount of heterogeneity within the cluster with regard to the stage this cluster is currently in. In our mainly theoretical paper we want to discuss the concept of heterogeneity to provide a more detailed view on this central concept for cluster life cycles. The first basic question arising here is how heterogeneity is defined. Therefore different concepts on heterogeneity, variety and diversity are discussed. The importance of the quality of heterogeneity as depicted in concepts like related variety will be highlighted. Different forms of heterogeneity between economic actors will be compared. The second question aims at answering the question where heterogeneity originates. Possible sources especially outside a given cluster are discussed in the literature. Especially cluster external sources within a cluster's spatial or thematic context providing sufficient spatial or thematic proximity to facilitate their exploitation are analyzed. The third question is how new knowledge enters a cluster. What characteristics do actors introducing new knowledge have and how do they get access to their knowledge sources? This refers to the much regarded concept of global pipelines. However, it goes beyond this point as the position and role of those actors within the cluster network are of importance, too. Finally we raise the question of how new knowledge introduced to a cluster leads to a higher overall economic performance in the cluster. This refers to the systemic exploitation of heterogeneity. The role of cooperation behavior will be discussed. Furthermore, we will point to the interplay of intra and inter cluster cooperation and its effect on innovation performance. First empirical results from a current study of the agribusiness cluster in Western Lower Saxony, Germany will be presented in respect to the discussed concepts.

Gateway I

THE CHALLENGE OF THE PARTNERSHIP PRINCIPLE: THE SCOREBOARD FOR POLISH BUSINESS IN THE STRUCTURAL FUNDS MANAGEMENT SYSTEM

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The article is focused on the practical aspects of the implementation of the Multi-level Governance (MLG) and the partnership principle in the EU structural funds management system in Poland. In particular, it presents the situation as regards the role and scope of activities of business interest representations. The choice of this type of EU cohesion policy stakeholder results from the fact that despite of general interest of researches in the topic of the MLG, the enterprises and their representations are only occasionally examined as a distinctive group which has its own interests and say in the process. Furthermore, in more general terms the study considers the question whether the rule of EU Multi-level Governance strengthens the participatory mechanisms and encourages the stakeholders to more activity and responsibility. It also attempts to assess the system in Poland with an application of some elements of the scoreboard for monitoring the MLG, the methodology that has been recently introduced by the Committee of the Regions. The partnership is one of the fundamental principles of the EU cohesion policy. Since its introduction in 1988, the idea that the stakeholders of the policy should be involved in consultations on each of the policy making stages has evolved and has been reinforced in regulations. The same tendency is expressed in the provisions for the programming period 2014-2020. Not only that the general concept of the MLG has been introduced to the provisions, but also several important rules and instruments strongly based on the partnership principle have been proposed. Among them for instance the partnership contract with an obligation to involve the partners in its preparation process, the European Code of Conduct on Partnership and the idea of Community-led local development with a strengthened role for the Local Action Groups. As far as enterprises are concerned, their role both as the beneficiaries of the funds and partners in the decision-making process grows not only due to the introduction of the above mentioned instruments, but additionally due to the growing need to involve them in the public-private partnerships in the projects implementation and the bigger role for the banking system in the distribution of the funds via the new financial instruments. Obviously, in order to be put into practice in the new programming period all these manifestations of the MLG and the partnership principle require adjustments and improvements on all levels and stages of the EU funds implementation process. Moreover, the implementation of such an ambitious framework for action depends very much on the commitment and capacities of the partners, which not everywhere and not always are sufficient. As the evidence from the empirical study presented in the article shows, there are still many obstacles and flaws both build-in the Polish

MLG system and in the functioning of business representations. Therefore, the new EU legislative framework creates a big challenge for all stakeholders engaged in the EU cohesion policy implementation. Taking into account all these developments, it appears to be interesting to investigate what is the current situation as regards the potential possibilities and the effective participation of the business representations, how is their voice formulated and conveyed in the structural funds management system and how to correct it in order to meet future challenges. To sum up the findings of the empirical study and systematically evaluate some practices of the implementation of the MLG in Poland, the scoreboard method will be applied. It is based on the comparison of the ideal practices and their indicators with a real situation. The fundamental assumption for this evaluation method is the conviction that the quality of the partnership depends on the routine and the cooperation culture and that the objectives of the MLG can be met only by applying good practices.

Gateway L

INTERREGIONAL FACTOR MOVEMENTS AND THE ROLE OF HUMAN CAPITAL

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The model presented in this paper shows how human capital constitutes a critical determinant of regional growth, and how it can be a cause for rising disparities between regions despite long run convergence. While output in one region can only be produced from factors found within the very same region, investment opportunities abroad have an influence on actual investments and hence determine the evolution of the various regions; together, these regions form one super-ordinate economy. All regions are interconnected and interdependent with respect to the evolution of output levels. In particular, the choice of location of gross fixed capital formations is viewed as a function of expected rates of return, which depend on physical capital's current marginal productivity. It is assumed that investment decisions take place either within the originating region, or in its neighbouring regions, from which it follows that the development of a particular region is dependent on its relative location in space. Two scenarios are considered to study the spatial distribution of production. In the first, capital follows marginal productivity, and equilibrium corresponds to identical steady states. It is shown how relatively high endowments in one type of capital can further increase in the medium run if the region is attractive relative to its neighbours. It follows that even though in the long run all regions approach identical equilibrium values of factor endowments and output, in the medium run increasing disparities may appear between some regions. The model's first scenario also shows (i) that the closer a region lies to other regions from which it attracts one or both types of capital, the faster it will grow and (ii) the deeper the overall integration of the system, the sooner equilibrium will be reached. The model's second scenario considers human capital migration decisions to depend on expected wages rather than human capital's marginal productivity. Under such a scenario, some regions may be more attractive for suppliers of human capital not only temporarily, but infinitely. This scenario allows for an infinite number of possible long run equilibria, while in the medium run convergence and divergence tendencies may alternate. The model shows how microeconomic decisions shape macroscopic outcomes, in which the core may experience a permanent inflow of human capital and for this reason regional disparities prevail. Finally, spatial econometric tests for Europe on the NUTS2 level underline the decisive role of human capital on regional development. Neighbourhood is captured by spatial lags of the explanatory variables and spatially dependent errors, where the spatial weight matrices are based on car travel times. The model's empirical results are in line with the main results from the theoretical model. In particular, they show how regional growth benefits from relatively high human capital endowment within one region, but at the same time suffers due to high levels of human capital in neighbouring regions.

Gateway QI

INFRASTRUCTURE INVESTMENT LONG TERM CONTRIBUTION: ECONOMIC DEVELOPMENT AND WELLBEING

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This paper builds on the empirical research carried out for the “Ex post evaluation of investment projects co-financed by the European Regional Development Fund (ERDF) or Cohesion Fund (CF) in the period 1994-1999”, recently finalized by the European Commission. The study evaluated the long term contribution, direct and indirect, expected and unexpected, of ten selected environment and transport infrastructure investments to economic development as well as to quality of life and well-being of society. In fact, investment projects can foster economic development, which is generally quantifiable by economic welfare metrics, as e.g. reflected in the cost-benefit analysis. Although the concept of economic development is not disconnected from the wellbeing of society, it is acknowledged that there are a number of other factors that may affect public welfare, which are not usually captured by the traditional economic indicators. Social cohesion, environmental effects, territorial cohesion, institutional learning and social happiness are for instance factors that affect the level of social satisfaction, the perception of social reality and other dimensions which are outside the conventional economic dimension. An innovative methodology was therefore applied for the context of this study to integrate traditional quantitative tools such as ex-post cost-benefit analysis with analysis of qualitative evidence. This allowed to study, in a structured way, project effects on economic development together with the determinants of wellbeing to society. The results showed that effects on wellbeing vary from project to project to a high extent. In particular, social satisfaction or dissatisfaction can take place in reference to expectations and, when this is the case, effects (either positive or negative) are of a large magnitude. When social (dis)satisfaction is related to “objective” factors, the intensity of the effects is lower. For example, the introduction of tolls in the motorways reviewed had negative impacts on social happiness, partially counterbalancing general satisfaction arising from factors such as increased leisure opportunities, civic pride, etc. In other cases, delays in implementation generated widespread feelings of frustration among the public, thus limiting the satisfaction regarding the new infrastructure. In the case of the waste water treatment plants reviewed, satisfaction was rather limited by shortcomings intrinsic to the projects’ operations (odors, under-capacity, etc.). On the contrary, when specific measures are taken to purposely alter the perception of projects by the population, effects are magnified. In this respect, the two solid waste treatment projects in Galicia and Portugal are interesting to contrast the role played by awareness-raising campaigns. Both projects “objectively” contributed to citizen’s quality of life through the elimination of landfills and their replacement with green areas, but they both also had to deal with the necessity of “selling” the choice of the incinerator technology. While awareness-raising activities positively contributed to the satisfaction associated with the latter project, they were (at least initially) a negative factor in the former case. Pressure from environmental organizations also played a role in limiting the positive perception of the project. Finally, it is worth stressing that the level of satisfaction is important not only because it contributes to determining overall project performance in static terms, but also because it can have an influence on project functioning and achievements in dynamic terms. For example, in the solid waste field, social acceptance is an important issue since it may have an influence on the functioning of the projects by making possible better waste separation with regard to recycling and composting.

Gateway QII

THE ROLE(S) OF PUBLIC PRIVATE PARTNERSHIPS IN REGIONAL INNOVATION SYSTEMS

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In recent years initiatives have been taken to foster the interactions within innovation systems and to increase the efficiency of innovation systems in which the enhancement of public-private cooperation has been a major goal. European Union policies (e.g. the Europe 2020 strategy) emphasize the importance of partnerships between the public and the private sectors in carrying out innovation policies, too. Combining resources which are spread out among multiple innovation agents and optimizing interfaces and overlaps between public and private sectors is essential for innovation advancement and because of knowledge spillovers and proximity linkages in many cases they can be managed best at the regional level. By their very nature, Public Private Partnerships (PPP) can play a significant part in regional innovation policy, particularly from a systemic perspective. The paper analyses the possible roles of PPP in regional innovation policy. Three groups of explanations of PPP are distinguished. They are based on: first, micro-economic arguments concerning the

efficiency and effectiveness of public spending; second, on budget or macro-economic factors focusing on the availability of public resources; and third, on arguments concerning the coordination of public and private agents. PPPs are widespread in the field of research and development policy and in (regional) innovation policy, though in recent publications it was considered an “emerging instrument” in regional innovation policy. According to their organizational structure PPPs can be categorized into two types: contractual and organizational PPP. PPPs are used for different purposes in the field of innovation. First, PPP is a mode of fostering the generation and exploitation of innovation activities by providing the organizational frame for “producing” innovations and bringing it to the market. Second, PPP is a mode of providing innovation-related, mostly physical infrastructure. Third, PPP is a mode of policy delivery in the field of innovation – often with a focus on technology transfer – comprising innovation strategy development, program and project implementation. According to their organizational structure PPPs can be categorized into contractual and organizational PPPs. While the former is solely based on contractual links between public and private agents and is regulated by administrative contract(s) the latter is manifested in the establishment of an entity jointly owned by the public and private parties and is regulated by the shareholder agreements. Systemic instruments of innovation policy ought to accomplish various functions, e.g. managing interfaces between the agents involved in the innovation process; building and organizing (innovation) systems; providing a platform for learning and experimenting; and providing an infrastructure for strategic intelligence, stimulating demand articulation, strategy and vision development. By their very nature, PPPs have the potential to fulfill most of the functions which according to the literature a systemic instrument of innovation policy ought to be able to fulfill. The results of a survey of the use of PPP in regional innovation policy by Swedish municipalities illustrate our argument. All 290 Swedish municipalities were surveyed (response rate: 21.7 per cent) in order to achieve a general overview of the use of PPP in regional innovation policy across a whole country (and not only on a case-by-case basis like in other analyses). Sweden provides a good example for this discussion due to its long history of corporatist governance and innovation policy, high degree of autonomy of players in the innovation system and good innovation performance in international comparison although with considerable regional diversity in terms of innovation activity. Our empirical evidence indicates that nearly all cases of PPP involve at least two systemic functions. Organizational PPPs are more likely than contractual PPPs to be used for all four strategic functions, especially for managing interfaces and for acting as a platform for learning and experimenting. Generators of innovation carry out more systemic functions on average than exploiters or joint generators/exploiters of innovation. While the spectrum of PPP types has varied significantly over time, across sectors, regions and countries, building appropriate capacity in the public sector (i.e. capacity to manage policy and programs; education; skills and frameworks for labour mobility; resource management) is conducive to establishing PPPs. Based on the idea of institutional capacity as a catalyst for regional inter-sectoral interactions and innovation activities two Swedish regions (one remote region, one region with excellent innovation performance) will be analyzed in more detail.

Gateway A

ACTION CAPACITY FOR SUSTAINABLE REGIONAL DEVELOPMENT: LEARNING REGIONS AS PATHWAYS FOR CHANGE

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The region is often considered as the starting point of a sustainable development. However, in theory hardly convincing attempts exist justifying this assumption. Moreover, in the practice of regional development there are only a few initiatives which succeed in the integration of sustainability and with the integration of a future prospect. A general frame condition to proceed in this question is rather obvious: a region or society in a whole can only succeed in achieving a sustainable development, if the integration of principles of sustainability as a leading role model for societal action guides the development processes. The open questions so far are: what are these principles and how can such aspects be integrated in the regional logics of action. The focus in this respect is on the interaction forms, learning conditions and instruments of implementation within the region. These aspects need a changing environment within a region, while at the same time this integration brings change for the region. This presented paper is worked out against the context of the current discussion on sustainable regional development. The focus is on the aspect of the action and action capacity of actors and institutions as a key criterion for a sustainable regional development and the basis to facilitate change. The

argument of the paper orientates basically on the following premise: If sustainability is a central action-guiding norm for sustainable regional development, its institutionalization as a framework for strategic decision making of the actors is essential. The paper considers directly the regional actors and their action spaces. Whereas mainstream studies on the interface between theory and practice has emerged, this work goes beyond the mere theoretical and analytical penetration of the subject by making the operationalization of action capacities for change a very practical contribution. The study in this paper is the result of an embedded research elaborated on the basis of the 'New Regional Policy in Switzerland' and provides direct information to the practice. This transdisciplinary approach closes the gap between traditional contributions that pursue either purely theoretical or normative approaches or primarily pragmatic investigations. The paper draws on theoretical and conceptual foundations of the region, regional development, sustainability and action capacity in general as well as on learning regions and change in particular. It strives for the systematic integration of the guiding principles of sustainability into the idea of learning regions, emphasizing favorable learning conditions and collaborative processes as well as action capacity as a central criterion of a sustainable regional development and change. The guiding principles are called instrumental rules and contain the ability to change, strengthening the knowledge base, the establishment of self-organizing capacity and to enable the creation of networks and partnerships. The presented program 'New Regional Policy in Switzerland' will function as reference underlining the practical relevance of the study. The discussion of the results, in particular the discussion of the efficiency and practical relevance of the normatively charged scheme of instrumental rules will close the paper.

Gateway QIII

CHANGING REGIONS: HISTORICAL ASPECTS AND INFLUENCES OF THE EVOLUTION OF REGIONS

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The geographical as well as historical discourse is still embedding the region among local and national level in general. Nevertheless, there are more and more studies dealing with the concept of region as social construction since 80's of the 20th century. This kind of the conceptualization of region enables to exceed the discourse mentioned above and to define the region across scale levels. Moreover, the openness of such construction, where there is a continual evolution / reproduction of region, brings the region to the focus scope of historical geography as a subject of the study and not only as an object from now on. However, the above mentioned cross-scale definition does not mean that the region cannot exist and be studied between the local and national level. Simply because a lot of regions are established on this level for specific purposes (e.g. administrative regions). It is rather conceptualization guidelines how to approach the regions and what should be taken into account when synthesizing generalized conclusions. This paper is a part of the mosaic of ongoing research project on forming regional identities in the areas with intensively changed landscapes in Czechia. The contribution would like to bring attention to several topics connected with regional and historical geographical research. Firstly, it is aimed on selected issues concerning changes of names, functions / purposes and territorial delimitations of regions, as well as changing / transformation of population, changing of assigned values or changes of regional identity and identity bearers. Many of these issues are often connected and they are influenced by each other. Secondly, the paper is bringing the examples from various regions in Czechia, generally. Using these examples we would like to show how different historical conditions and historical changes influencing the reproduction of region, its perception by inhabitants as well as the regional identity of inhabitants and the identity of region. There were a lot of historical changes in late Czech history, that have had an influence on regions, among others, we can name the national revival period, the declaration of independent state, transfers of population connected with the World War II or the period of socialist state and transformation after "the Velvet Revolution". In the presented paper we explore and describe the influence of these events on different regions (administrative, ethnographic, touristic, etc.) in Czechia.

RECONCEPTUALISING TERRITORIALITY BY STEPPING INTO THE SEA

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In an increasingly globalised and networked world, regional development is often based around connections which operate at a variety of different spatial scales. As the European Union through its 2020 growth agenda seeks to promote 'smart sustainable and inclusive growth', in this paper we revisit the concept of territoriality and argue that increasingly the European seas are being seen as areas for territorial development opportunity, but this may also bring with it unnecessary or unacceptable risk. By including such thinking into regional territorial development concepts new ways of thinking about regional innovation are being opened up at a variety of different spatial scales. Already DG Mare is developing a marine based Atlantic Strategy to contribute to Europe 2020, and other strategies are tentatively being proposed, for example for the Adriatic Sea. As the regional seas become more important and increasingly complex and contested spaces, this paper focuses on some of the territorial risks and opportunities for Europe's regional seas, and what is or might be, appropriate governance and management arrangements for dealing with multifunctional spaces, where land sea interactions are critical. The paper draws upon some of the findings of a recently completed ESPON project called Estador.

STRATEGIES OF REGIONAL DEVELOPMENT: HOW TO MAKE THEM SENSITIVE TO CHANGES OF ECONOMIC SITUATION?

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The contemporary floating world enhances the needs in midterm planning for country and its regions. One of the mechanisms of planning is the strategy for social and economic development of a region. Generally, the strategy is the complex of goals and certain scheme of how to reach them. There are 27 regional strategies (according to the number of regions) which have been implementing in Ukraine, and currently, they are the only institutive document that provides the base for regional development. Most of these strategies were developed in 2006-2008, thus, there is a need in their reconsideration and renewal. There are next issues to be considered in planning of regional strategies: - problem of concentration on local narrow interests and absence of integration in the common strategic plan of the country; - substitution of the term "strategic regional development goal" by "goal of development of one sector of regional economy" which makes the strategies of separate regions similar and counteracts the formation of strategic view of development; - inability to take into account the change of economic internal and external conjuncture as a result of using the static approach and directive forecasting methods when forming the strategies. The renovation of strategies should account the above mentioned problems. The overcoming of narrow interests of separate regions could be fulfilled on the base of renovation of the State strategy of regional development. The strategy should form the common view on the development goals for all regions. These goals can be the following: maintenance of the stability of regional economy, formation of multisectoral structure of production, keeping the parameters of the sustainable development, providing of evenness in the development of internal territories in region, compliance of balance of enclave character and openness of regional economy. These goals can contradict one another, thus, the regional authority will face the decision which of goals should be reached first – economic effectiveness, social fairness or environmental balance? The choice depends on the strategic view of the region's behavior. One integrated purpose for every region should be defined by the State strategy. The total level of development of every region should not deteriorate; that is why it is advisable to use the criteria of

Pareto-effectiveness for the estimation of operability of regional policy. The strategic view on regions could be formed only by common efforts of local and central authorities. For instance, the authority of Eastern industry developed regions can form the next goals of development: increase of export potential, decision of employment issues, solution of ecologic problems. And the Center allows correcting these purposes as follows: creation of import substitution production, formation of comfortable human life and solving the problem of depopulation of certain territories, supplying the population with high-quality drinking water. The authority of the West of Ukraine which doesn't have the high-developed industrial manufacturing, but faces the problem of huge labor drain could form the main goal like returning of working force. And appropriate correction of this goal provided by the Center could change it like the renovation of labor and demographic balance through the creation of working places for returned employees. The regional strategy should be flexible and able to react to the change of economic conjuncture. It could be reached with the help of forecasting. Previously, we could move from the directive to indicative planning. Predicted indexes should be calculated for the main types of economic activity and social wellbeing. In all forecast's models which will be used, it is appropriate to take into account the random parameter; it is responsible for the unexpected, unpredictable changes. For more indexes of economic activity it is appropriate to use the trend methods of forecasting, especially for Gross Regional Products and Unemployment Rate. Through these instruments, the regional strategies become more efficient in terms of answering the contemporary callings. Regional strategy is more effective mechanism of adjustment of regional social and economic development if it acts together with other mechanisms – budget and investment. For their complex action it is appropriate to implement the common institutional (organizational and personnel) securing of creation the regional strategy, budget of region and investment passport (list of investment propositions). The current problem is that these mechanisms have different time measurement. If the strategy and investment passport are developed for 5-7 years, then the budget is created only for 1 year. Only recently, the program target method of budget planning and its execution for 3 years started to be implemented in Ukraine. But its implementation now concerns 4 regions only and budgets of sub-regions and big cities into these regions, not local communities' budgets. The overcoming of these obstacles and implementation of above mentioned measures enable to improve the strategic planning of regional development and to make regional strategies more effective and operative.

Gateway K

SKILLS FOR A GREEN ECONOMY; CAN THE UK LEARN FROM EUROPEAN BEST PRACTICE?

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The paper reports on an ESF research project which has been looking at Leeds City region low carbon skills and investment plans and seeking to link Gothenburg, Jutland, Freiburg, Hamburg, Vienna and Copenhagen to look at green growth and City deals and Climate change and skills investment in a UK context. The paper looks at changing Coalition and European policies for 2014-2020.

Gateway G

EUROPEAN RETERRITORIALISATION AND THE TEMPORALITIES OF SOFT SPACES

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This paper examines current processes of reterritorialisation in the context of European integration and Europeanization. Reterritorialisation is seen as an on-going process that is dominated by the coexistence of relational and territorial spaces. This combination is approached with the concept of 'soft spaces'. We argue in two dimensions: First, we seek a better understanding of EU integration through an engagement with the

literature and research on soft spaces. We propose that EU integration is best understood as involving an interplay between territorial and relational understandings and approaches that vary through time, a variation that can be categorized as involving pooled territoriality, supra-territoriality and non-territoriality. Second, we seek to add to the current research and literature on soft spaces by focusing upon the changing character of soft spaces and their temporalities. Some soft spaces might be very limited in time, others 'harden' towards strongly institutionalized forms, and others remain 'softâ' over a long time (see, for example, Allmendinger and Haughton, 2009; Metzger and Schmitt, 2012; Stead, 2012). We approach these two dimensions through an exploration of several EU policy case studies, the development of which typically shows different stages of softening, hardening and of differing degrees of Europeanization, e.g. the new evolving EU-macro-regions. As a result of ongoing globalization and Europeanization, functional linkages become more and more important arguments, hence leading to new conceptualizations of territory based on functional approaches. The macro-regional concept aims at integrating different sectors, levels and politics in one strategy through an overall coordination - tailored for functional regions and operate as a new framework for cooperation in the EU (Sielker, 2012). What we are concerned about here is how such soft spaces can emerge and be deployed to address, challenge and 'open up' difficult and politically sensitive issues around identity and territory and spatial imaginaries, particularly with regards to European integration and how spatial planning and governance is being used as a means through which reterritorialisation at the macro-regional scale is being managed. The focus on this paper is on the emergence and use of soft spaces as a component of European integration through the discussion of the Europeanization of territoriality and the role soft spaces play in our understanding of the process. Macro-regions are e.g. very much linked to soft characteristics while territoriality despite showing mainly pooled territorial characteristics, may change during the process. This contribution explores processes of hardening and imaginable pathways of e.g. macro-regions. Further the paper reflects that the concepts of territoriality matters also in a European context, but that it is more about the relation between power and space and that in the context of European policies, it is a lot about fuzzy competences. These reflections lead, finally, to a proposed research agenda that more thoroughly links territoriality, institutional change and power plays.

Gateway A

MAKING SENSE OF REGIONAL INNOVATION POLICY

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Innovation policy has turned out to be a rapidly expanding and variable field of policy and thus a challenge to the growing and more heterogeneous group of people working within it. How these people make sense of innovation policy in their daily routines is not a minor question. In fact, sensemaking is a very practical task, as the different tools and concepts of innovation policy have to be fitted to the local circumstances through strategies, funding applications, projects, and marketing of innovation policy to local politicians, enterprises, and other local interest groups. Sensemaking is at the core of policy making. This paper, based on an ongoing Ph.D. research project, introduces one micro level process of sensemaking in one of the newest realms of innovation policy: small regions with scarce educational and research resources, but a keen interest in innovation policy. The empirical data consists of 28 group discussions conducted in 2010, each group representing a Finnish region participating in a national innovation policy learning network. A section of the discussions, analysed closer in this paper, introduces a simple model of regional innovation policy to the participants. It was created to highlight the different scales of regional innovation policy, but turned out to offer an interesting micro level test setting on the groups' ability to deal with a new conceptual structure. How participants take the model, how they discuss it among the group and with the interviewer - and what this tells about the group's ability of collective sensemaking? The analysis revealed several layers of sensemaking, extending from the mere understanding of words and phrases to epistemological reasoning: ' what do the words and phrases mean ' how it fits what they are doing right now ' how it fits what they are able to do and how it exceeds their capabilities ' how institutions, funding systems and rules should be changed to fit the model ' how behaviour, thinking and culture should be changed to fit the model ' why the model itself was created, what are the interests behind it. What is important to notice, the former layers are required to access the latter. If the policy makers can't understand the words used, it turns to be impossible to understand the implications of the policy, let alone to estimate the institutional changes it might need. As found out during the discussions, even many basic concepts and ideas of innovation policy remain often unclear to the local policy

makers. Some groups advanced to the deepest layers in just minutes, showing that this kind of discussion is a common practice in some of the regions. The depth of reasoning was related to the shared history of the group. A shared history also supports an open atmosphere, where differing opinions can be expressed, misunderstandings cleared and collective sensemaking progress. Long history of cooperation is not enough, though. To be able to play in the ambiguous field of innovation policy, adaptable cognitive models are essential. To access the deepest layers of collective sensemaking the group has to have a flexible view of the world and tolerance for uncertainty.

Gateway QVI

GROWTH AND TRANSFORMATION IN VIENNA'S CREATIVE INDUSTRIES

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The variation of cluster growth over time and factors characterising cluster evolution has in recent years attracted much scholarly attention. Different industrial clusters have been found to possess different features shaping their emergence, growth and decline. Although cultural branches have been around for many decades, large parts of creative industries have been emerging and growing more recently. Following the main theoretical approaches to cluster evolution and change, this paper examines Vienna's creative industries in the period 2000 to 2011. Vienna has the highest concentration of creative industries in Austria. In recent years these sectors have exhibited growth and diversification in Austria's main metropolitan city as well as in Austria nationally. This paper uses secondary data from the central national database on registered wage earners, and the national creative industries survey (carried out bi-annually since the early 2000s) to analyse changes in growth rates, size distribution and firm foundation in the creative industries sub-sectors. We also investigate their networks, R&D and innovation activities, export shares, growth phase, and development barriers comparing the data on the Vienna region to Austria nationally. Preliminary results suggest that Vienna's creative industries are a heterogeneous group of sub-sectors exhibiting sustained growth in the period examined, characterised by increases in the number of firms and employees, and exports, but erratic patterns in turnover. The majority of creative industries firms in Vienna are in advertising and consulting, and in the 'maturing' phase of their growth. R&D intensity is highest in medium-sized software-based creative industries firms, and has increased in the period studied. The creative industries sectors overall exhibit high and increasing proportions of product, service and process innovations, the majority of which are inputs into high-tech sectors, patterns which have also increased over the period examined.

Gateway A

ASPECT OF STRUCTURAL CHANGES IN MANUFACTURING: SEARCH OF NEW APPROACHES FOR CLASSIFYING EUROPEAN UNION MEMBER STATES

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European Union brings together 27 (from July 2013 onwards 28) countries with different levels of economic development. Despite these differences, the aim of the European Union is to raise the overall competitiveness at the global economic space. The European Union Member States should be as close as possible to each other along economic development for achieving this goal. Currently, in accordance with habitual practice, which is based on available statistical indicators of economic performance, geographic position of countries (linking it to economic success), achievements in the creation and implementation of innovations, as well as on some studies about the European Union, countries are classified in different ways. For example, EU-15 countries, new EU Member States, euro zone countries, innovation leaders, innovation followers, Scandinavian countries, countries of Southern Europe, etc. These classifications show certain differences along particular characteristics among Member States. As a result, perception of country is formed, successes and challenges of economic activities are clearly defined, approach, which allows to evaluate the country's economy, is provided. As well as it is easier to look for linkages, which led to similar results in different countries within

group. It should be noted that irrespective of the classification, the group of countries, which by economic performance should come closer to average indicators of the European Union, as well as come closer to countries leaders in certain field, is defined. A country's ability to move from one classification group to another, with stronger economic performance, indicates to the development of the country. Despite the differences in economic performance, similarity of the European Union Member States along branch structure should be noted – dominance of service sector over manufacturing sector. Taking into account effect of the global economic downturn, as well as increasing competition from countries BRICK (Brazil, Russia, India, China, Korea) and countries BRAC (Brazil, Russia, Australia, Canada) manufacturing and innovations are defined like priorities in the strategy „Europe 2020“. The current branch structure indicates that in order to reach the objectives of the strategy, European Union Member States should ensure the structural changes in favor of the manufacturing branches, particularly in favor of innovative manufacturing branches. Currently it is appropriate evaluate the ongoing structural changes in the European Union Member States in manufacturing till present time, in order to determine, in which Member States and, in which branches positive structural changes occurred in context of development of innovative economy. It should be noted that the European Union Member States have different starting positions for future structural changes in manufacturing, which are results of differences in experience, in available resources, in effects of global economic downturn, but have the common objective, which is noted in the strategy „Europe 2020“, why the experience of each Member State is important. The study aims to assess the way in which the Member States of the European Union on the basis of structural changes in the manufacturing is possible to classify, as well as this could provide information about countries with successful experience in structural changes in favor of innovative manufacturing branches. As a result of searching of new classification of European Union Member States author of the research try to find linkages, which among different countries within one group provide more or less successful structural changes.

Gateway C

DISCOURSES AND COUNTER-DISCOURSES ON SUSTAINABLE LAND-USE IN THE FINNISH COUNTRYSIDE

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Low-density housing is an important strategy for rural development in the post-productionist Finnish countryside. Rural municipalities, which have large decision-making powers in land-use planning, offer attractive building sites in low-density areas. Such scattered development provides many benefits: space, a connection to nature, fresh air, and peace and quietness. As land-use in rural areas in Finland has traditionally been more loosely regulated than in urban areas, this development strategy has been accepted widely at the local level. However, the Government has in recent years made a strong effort to intensify its guidance of both regional and local-level planning. A key argument in this interference is the concern over sustainable development in rural areas. The sparse and dispersed settlement structure, which is characteristic to the Finnish countryside, is argued to compromise sustainable development in a broad sense, including economic, social and ecological sustainability. Its' alternative, housing in high-density areas, is argued to be as sustainable on the grounds that it makes possible the provision of public transport and other services, reduces the need of rural residents to use private cars, and thus makes the rural communities more attractive to residents, and potential newcomers and businesses. In other words, in the Government's rhetoric sustainable development is clearly defined as urban development, increasingly marginalizing the sparsely populated countryside. This paper briefly unpacks the dominant discourse on sustainable development as a territorial phenomenon which is associated mainly with urban environments, and reports on a study concerning the views of Finnish rural policy-makers on the sustainability of rural low-density housing. The empirical data are derived from an internet-based survey conducted by Karjalainen, a regional newspaper in eastern Finland, before the parliamentary elections held in 2007 and 2011. The analysis of the rural policy-makers' free-form comments suggest that the land-use planning principles derived from urban planning have not gained ground in rural areas. A majority of the electoral candidates challenge the need to constrain traditional low-density housing in order to improve the viability of rural communities. Rather, the politicians' argue that the new land-use planning principles, which are supported by environmental arguments, disadvantage broader sustainability of rural areas. The rural policy-makers critically assess the Government's attempts to urbanize sustainable development, and construct alternative rural ways to reduce the environmentally damaging greenhouse-gas

emissions. In their comments sustainable development is not defined as territorial but rather as systemic phenomenon. The alternative definition highlights the natural resource advantages of rural areas (bio-energy, timber, local food) for achieving goals of sustainability.

Gateway J

SPATIAL SCOPE OF REGIONAL ECONOMIC GROWTH IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

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The aim of the paper is to analyse the spatial scope of regional economic growth in EU New Member States located in Central and Eastern Europe. The first hypothesis suggests that regional convergence observed at macroregional level should lead to a decrease of spatial dependence at NUTS3 level i.e. overall diffusion of development across particular countries. However, the second hypothesis claims that diffusion processes from national growth centers to their regional surroundings would be still quite small and negligible. To verify these hypotheses spatial autocorrelations method based on global and local I Moran statistics has been applied for the period 1995-2009 with special emphasis to the particular sub-periods reflecting different stages of transformation, EU membership and recent economic crisis. Furthermore, the analysis covers both absolute and relativised (by national averages) values of GDP per capita that allows to present diverse dimensions of regional economic growth.

Gateway N

THE CONSTRUCTION OF A CROSS-BORDER INNOVATION SPACE: INSTITUTIONAL DYNAMICS IN THE VENLO - NIEDERRHEIN REGION

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Complementarities in the economic structure, socio-economic institutions and innovation capabilities between neighbouring border regions, are often seen as the main driver of cross-border cooperation. However, in many cases polity and policy might be just as important for institution building and institutional change (Blatter, 2003). The nation-state border can act as a barrier to interaction, making it difficult for actors on each side of the border to find each other and exploit the possible synergies and complementarities. More than only a politico-strategic line, there are economic, social and mental bordering processes that hinder cross-border interaction. Nevertheless, there is a growing necessity for cross-border regions to focus more on their innovation performance to remain or become competitive (Lundquist & Trippel, 2011). Within this respect, drawing heavily on the Regional Innovation Systems (RIS) literature, the theoretical possibility of the existence of a cross-border regional innovation system is suggested (Trippel, 2010). Lundquist and Trippel (2011) identify three ideal typical stages of cross-border innovation systems: Weakly integrated systems, semi-integrated systems and strongly integrated systems. Cooperation on innovation in a cross-border setting represents the last and most advanced stage of cross-border cooperation (idem). Although many cross-border regions might never reach the theoretical possibility of being a full swing cross-border regional innovation system, in many of these regions actors are initiating innovation projects. In this paper we suggest adding a dynamic perspective to the static, three-staged model of cross-border innovation systems (Lundquist & Trippel, 2011). In the construction of cross-border innovation systems, it is relevant to address the process in between the above mentioned trite of stages. Here, continuous interaction and multiple feedback loops are present. The dynamics of this construction process are influenced by the formal and informal institutions at play in a cross-border setting. These institutions are not only territorial of nature, but can also be industry specific. Actors that engage in this construction process, encounter problems along the way and try to seek solutions accordingly. These problems and solutions emerge at different scales in a cross-border setting. Therefore, it is necessary to gain insight into the multilevel institutional architecture of cross-border innovation spaces. Actors attempt to exploit these institutions to their own benefit. The behaviour of actors is not wholly determined by the institutions, but is shaped, influenced or constrained (Gertler, 2010). The main research question that follows

from this is: 'What are the multiscalar institutional architecture and dynamics in the construction of a cross-border innovation space?' The empirical work in this paper consists of a case study conducted in the Dutch-German cross-border region of Venlo and Niederrhein, where an increasing number of projects is developed in the agro and food sector. The case-study consisted of 25 interviews with companies, educational institutes, universities and government officials on both sides of the border in the Venlo-Niederrhein region. The interviews were supplemented by official documents and reports.

Gateway C

IMPACTS OF THE RESIDENTIAL ECONOMY ON THE REGIONAL ECONOMY

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Economic development is influenced by a variety of different factors and is spatially distributed unequally. The economic growth usually focuses on the metropolitan and urban areas, while rural areas in many parts of Europe have to struggle with migration and a loss of jobs. Some, however, mostly peri-urban regions, could record a positive development in recent years. Especially those regions that have healthy demographics, high purchasing power and well developed infrastructure could benefit. The so-called residential economy considers how far strategies to increase the attractiveness as a place of residence for specific target groups can affect economic development in peri-urban and rural areas positively. The term residential economy was coined by the French economist Laurent Davezies. He criticizes the concept of the so called New Economic Geography and argues for treating residential economy as a serious factor for development, emphasizing that mobility, leisure and tourism as well as state income redistribution systems favour the creation of new purchasing power outside metropolitan areas. However - noted that a strategy aimed solely at increasing the attractiveness as a place of residence, yet does not generate sustainable growth - also in the French debate. In the Anglo-Saxon debate the discussion about the residential economy is usually performed under the term 'amenity migration'. Under amenity migration the migration, the movement of people based on the draw of natural and / or cultural amenities is understood. The focus of attention here are mostly retirees, pensioners and second home owners. The immigration of certain groups, such as commuters, retirees, pensioners and second home owners who transfer their residence in the region, while they obtain their income either by the State or outside of the region, has an impact on the regions in different areas. A corresponding supply of living space and infrastructure has to be provided by the region which is connected to costs for the region and has impacts on the development planning and the area consumption. Furthermore socio-cultural and demographic factors play a role which rise the regions to considerable challenges. By encouraging the residential economy it's not only expected to create an attractive offer for the immigrants, but also advantages for the existing native population, such as improvements of the local supply and service offerings, the infrastructure and an overall increase of living and quality of life. An improved supply and infrastructure investment should ultimately lead to job creation and regional added value. While regional development in the past was equated with the obtainment of export earnings, the residential economy shows how capital imports also can contribute to the strengthening of the regional economy. By the immigration of commuters, retirees and second home owners incomes from an external source flows in the region. The use of this income takes place mostly, however, in the region and leads to an improvement of the private and public supply. Residential economy is primarily defined on the demand rather than the supply. Only an increase in demand leads to a corresponding improvement of the supply. The aim of the paper is to show the potentials and the current economic significance of the residential economy for the Swiss canton Appenzell Ausserrhoden. In the government program 2012 to 2015 of the canton the increase of the cantonal residential population as a topmost aim is formulated. Appenzell Ausserrhoden wants to create conditions and incentives for higher investments in housing. The attractiveness as a place of residence is increased through this, the migration will slow down and the immigration promoted. Canton and communities together ensure that attractive locations with good transport connections and high quality of living are managed specifically. Using an interdependent regional network indicators were identified that show which industries are relevant in the residential economy and what indicators can be used to measure the current economic impact of the residential economy for the region. As a result an assessment of the contribution of the residential economy to the overall economy of the canton of Appenzell Ausserrhoden (eg jobs, value added) is made and actions and measures are identified, how the canton Appenzell Ausserrhoden can promote the residential economy.

URBAN ECONOMICS, CREATIVE COMMUNITIES-A FEASIBLE OPTION FOR ROMANIA

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The main paper's objective is to highlight the necessity to implement the topic of creative economy and knowledge-based society in Romania. It regards mostly the creative communities and urban economics & policies. The paper is aimed at describing the state of creative communities & creative cities in Romania. The term of creative communities is widely used in the context of the knowledge-based society & creative economy. Its importance to sustainable development, wealth and prosperity is recognised mostly due to the amplified crisis effects. In the context of the global crisis the creative communities and the creative industries have moved to the mainstream. The creative communities are considered to be smart and flexible, Mostly among the borders areas creative communities are supporting also intercultural dialogue and thus they are called also intercultural communities/cities. Neighbourhood communities such as intercultural city communities and mostly areas near borders (where diversity and multicultural environment can allow more space for diversity management) are considered to be quite relevant within this framework. As highlighted in previous work (Suciu, M. C., 2009) I consider that this topic is also relevant for Romania taking into account the fact that our country has old traditions in cooperation and partnership relations mostly within the areas near the borders. City-regions and urban policies need a more relational understanding about internal and external dynamics. Hence there is a need for a relational, constructivist understanding of space. E.g. cross-border regions: cannot be taken for granted, outcome of a process of social construction. The global crisis that has made its presence felt mostly since 2008, has already affected to a large extent all sectors of activity, regardless of country, region or continent. It has not avoided the creative sector or creative domains. Despite the potential of the creative economy to generate growth & wealth and to create jobs, the creative economies must face the same threats that all economies face. Some authors (Florida, 2009) believe that mostly within the complex context amplified by crisis, urban policies, specially dedicated to the creative cities and creative communities have a key role to play. The question is to what extent crisis affected the creative sector and what are its prospects for development in today's context. As the global crisis affected without exception all areas and industries of the economy, the creative economy could not avoid this major global changes. The current social and economic landscape could be described broadly by the disappearance of a large number of jobs and the remaining being at risk, businesses which go bankrupt, owners that move etc. One of the main challenges for the creative communities and for the creative industry sector is how to encourage a long-term and sustainable development of the new type of innovative and creative businesses, mostly within creative cities and creative communities. It seems that there is quite difficult to identifying creative workers, called also by Richard Florida as creative class (Florida, 2004) due to their diversity (understood in a complex sense, in terms of cultural diversity that is more relevant for creative communities than ethnic, religion or other way to look traditionally for diversity). The topic of urban economics and mostly the one specially dedicated to the creative communities are more and more relevant with respect to the policy development not only on the regional (mezzo) level but also at the microeconomics and macroeconomic levels. This paper will focus on the regional level, highlighting the importance of urban economics for a creative city based on the example of the first creative city in Romania-Iasi.

THE FIELD-OF-STUDY CHOICE OF FINNISH UNIVERSITY STUDENTS: DOES DISTANCE MATTER?

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One may argue that with the recent rapid rise of the general educational level, individuals' postsecondary field-of-study choices have become increasingly important determinants of earnings inequality and social

stratification. Therefore, knowledge on the mechanisms behind field-of-study choices is of the essence in educational policy planning. One such mechanism – that has drawn very little attention in the literature thus far – arises from geographical distance: if a particular field is unavailable in a student's nearest universities, the various costs involved in migrating further away could lower his or her willingness to apply to that field. This 'distance deterrence effect' could particularly matter in countries with long distances between universities and with differences in each university's field-of-study options. Based on the above-discussed hypotheses, the present study examines the field-of-study choice among Finnish university students, focusing on the following question: does an increase in the distance to a field decrease one's likelihood of choosing that field? For the analysis, register-based data on a sample of Finnish high school graduates from 1991–1996 are utilised. The Finnish data offer a particularly good opportunity for an analysis of this question because Finland is a relatively vast and sparsely populated country with a geographically dispersed public university system. Thus, a great deal of variation in the distances between the students' pre-university and university locations is available in the data. The baseline results are obtained by the estimation of conditional logit models that control for individual-level observables such as matriculation examination grades and parents' characteristics, whereas robustness to unobserved individual heterogeneity is studied using a mixed logit approach. The estimated distance effect is sizeable: different model specifications suggest that having a 100 kilometre longer distance to enrol is, on average, associated with 16–22% smaller odds of choosing a field. However, the distance effect appears to vary, to some extent, depending on the choice alternative in question: a student's probability of studying education or humanities is not found to be sensitive to the shortest distances to these fields, whereas considerable distance effects are measured for all other fields. Certain implications for educational policy may be derived based on the obtained results. In particular, one may argue that although transforming a small and remote university from a multidisciplinary institution into a more specialised institution with fewer field-of-study options could be beneficial in terms of its competitiveness, regional disparities in access to particular fields may increase as a result of such a policy.

Gateway F

CROATIAN UPS AND DOWNS IN ESTABLISHING EUROPEAN REGIONAL GOVERNANCE PRACTICES

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Modern strategic planning processes have been introduced on regional level in Croatia a decade ago, when the decision to apply for EU membership became the prime national policy decision. This political decision has been inspiring Croatian policy makers in the attempt to prepare institutional structures for new ways of designing and implementing modern regional development policy. Supported by international and bilateral foreign donor programmes, various technical assistance projects have contributed to the evolution of modern regional strategic planning practices in Croatia. However, emphasis has been put on the design of strategic development documents, while their implementation represents still a challenge. The authors assess a decade of modern strategic planning processes on regional level in Croatia based to a large extent on the new public management and top-down bottom-up policy discourse of the 1990ties, and the more recent advancements in regional governance theory. The attempt to introduce more advanced policy processes enriched the complexity of regional governance. Consequently, formation of national regional policy in Croatia took eight years ending with the adoption of the legal and strategic framework in May 2010. The main intention is to prepare the national and regional institutional structures on time for EU accession and to enable them to effectively and efficiently use structural and cohesion funds, as Croatia's EU membership is at the doorstep. By the year 2011, all counties (representing the NUTS 3 level) formulated and adopted three year strategic programmes based on the methodology prescribed by the Croatian ministry in charge of regional development. However, most of the regions were engaged in programming long before, either supported by EU or other international donors, or through the former Croatian Regional Development Fund. As the planning process is based on the EU partnership principle, partnership councils are established in all regions. In addition, regional partnerships on the level of statistical regions (NUTS II level) were established where county representatives regularly meet to propose and coordinate joint development initiatives and propose projects for national and EU funding. Though the regional strategic planning documents will serve as the basis of analysis, the focus of this research is on one side on the planning processes, and on the outcomes of the

implementation processes on the other. The authors question the nationally imposed regional planning methodology, the effectiveness of the new planning approaches and the implementability of these plans that are being developed in different regional settings and contexts. An assessment of the socio-economic impacts of the first generation of regional strategies will be done on the basis of quantitative development indicators and qualitative insights. The paper concludes with positive and negative aspects of the new strategic planning processes on regional level.

Gateway E

THE DRIVE TOWARDS RECENTRALISATION OF REGIONAL GOVERNANCE IN ENGLAND: WHERE ARE LOCAL AND REGIONAL DEVELOPMENT HEADING?

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This paper presents empirical findings from an ongoing research study that examines issues of regional economic development and the role of strategic partners and stakeholders in shaping governance structures and local policy. The research context is set within the manufacturing heartland of UK's West Midlands, in the Coventry and Warwickshire region, the home of the country's automotive industry among others. The paper specifically examines the various ways in which local governance and regional economic policy making have been impacted by recent government initiatives driven primarily by political and ideological considerations. Emerging empirical findings suggest that while the initiatives themselves are ambiguous, contradictory, and inconsistent, they cause disruption in public and private sector stakeholder roles and accountability in shaping the direction of regional economic policy, which in turn has an adverse effect on stakeholder commitment and continuing participation. The national UK elections in May 2010 and a new government in power have brought about sudden, abrupt, and dramatic swings in economic policy making along the lines of 'shock and awe tactics' (McCarthy, Pike, and Tomany 2012), which are aimed at replacing the old target-driven system with a new, more locally functioning arrangement. The changes have signalled the end of a 13-year long experiment with regional tiers of developmental structures, resulting in the hasty abolition and disbandment of the nine English Regional Development Agencies (RDAs), to be replaced with a network of Local Enterprise Partnerships (LEPs). To enhance support for the new LEP structure, the government has put together a 'toolkit' of sorts comprising of legislative and financial changes. These include the Localism Act (2011) backed by a 'presumption of competence' for local authorities (Parliament Papers 2011), that allow the LEPs to bid for funding from a newly constituted Regional Growth Fund to set up Enterprise Zones that will drive business and economic growth. These initiatives reflect the broader ambition of the new government to effectively re-situate the drivers of the economy amongst business, central government, and local leadership interests (Heseltine Review 2012) with an apparent view to empowering local communities and enhancing public-private collaboration in driving local and regional economies. The government initiative seeks to openly support the private sector in leading the development of business infrastructure and places wealth creation at the heart of new regional economic policy. The LEPs therefore occupy a central role in spearheading the government's new economic ambitions. Against these expectations of the LEPs, the realities under which they have to deliver are far more complex. While the RDAs were effective in generating investment multiplier effects, and had the requisite skills, resources, knowledge capital, capacity, managerial expertise, and track record in delivering economic goals, the new LEPs have neither the capacity nor the track record in delivering economic policy for entire regions. The new pot of RGF funding available to the LEPs for boosting enterprise is significantly smaller than what was available to the RDAs. Under the guise of disbanding the RDAs, the government has effectively centralised their powers and taken over the vast portfolio of RDA assets and revenues, thus depriving the local authorities of a much needed funding source which the latter were hoping to inherit (Bailey 2012, Hayman 2012). The function and purpose of the LEPs remain ambiguous and undefined (Shutt, Pugalis, and Bentley 2012) and are only considered a reconstituted version of the old RDAs. While local authorities are encouraged to coalesce around functional local economic needs in order to derive policy, the central government still has to provide approval for such initiatives (Haughton 2012). This suggests that the new localism initiative is simply recentralisation of power in another guise, reinforcing the government's political ideology of being disposed against local authorities (Haughton 2012). The consequence of such initiatives are perceived to especially affect local economies already suffering from the economic downturn, since much of the effectiveness of local LEP performances would depend on the capabilities of the local areas.

This is expected to exacerbate already punitive spatial inequalities in the UK, considered among the least favourable across Europe. Even the new City Deals for eight of the biggest cities outside of London is not seen to be of much help. Against this background empirical findings from the Coventry and Warwickshire region with its newly constituted LEP suggest five issues of concern in regional economic governance. One, the reconstitution of LEPs is seen as a continuing tradition of federal fiddling with spatial governance where the city's interests are being subsumed and dissipated under an as-yet undetermined and unrefined sub-regional economic ambitions and goals. Two, the public sector and local authorities, already struggling under debilitating budgetary cuts, face growing pressures to deliver their leadership responsibilities while deliberately adopting a passive role, allowing the spotlight to fall on the private sector because this is aligned with central rhetoric. Three, there are deep concerns about the lack of accountability from the LEPs on spending initiatives and their commitment to citizenship roles in the face of economic policy being increasingly divorced and decontextualised from broader social implications. Four, the concentration of infrastructure ownership in the hands of the private sector is perceived to lead to conflict of interest between public good and private stakeholder business interests. Five, the new initiatives have led to a marked dissipation in the region's long tradition and history of partnership working that brought together cross-sectoral stakeholder interests in working for the greater good of the region. The findings from this study may be illustrative of broader weaknesses and inconsistencies in the central government's hastily thought out approach to regional economic development and policy where the prospects of much funding available to the private sector outside of London are dim and disadvantaged local economies are left to chase ever-decreasing pool of funds in a vicious cycle.

Gateway A

FORMATION OF AN INNOVATION SYSTEM

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In the systems of innovation theory an innovation system is defined as a compound of important economic, social, political, organizational, institutional and other factors that influence the development, diffusion and use of innovations. The organizations and institutions in addition to their relations constitute the system of innovation (SI). Activities in the SI are those that influence the development, diffusion and use of innovations and hence the SIs are purposive networks –they function to pursue innovation processes. (Edquist 2006:182.) The geographically tailored innovation system models like the national and the regional innovation systems (NIS and RIS), using the system of innovation theory as one of their background theories, emphasize strong linkages between actors forming a key element for a system to generate interactive learning needed to innovations to emerge. (Asheim and Coenen 200; Lundvall 2010). Lundvall (2010: 15-16) has formulated these linkages as, the linkages inside the firm between its different parts, the inter-firm linkages like producer and user linkage, the linkages of firms and science infrastructure, the linkage of public and financial sectors to innovation processes and the linkage between firms and wider institutional milieu. However, this desirable network constellation of the NIS and of the RIS models has been challenged in the recent academic literature. One of the main points is that these models and the empirical studies based on them are often very static descriptions of network structure (Staber 2001; Giuliani 2011). But, as Giuliani (2011) and Lundvall (2010) write, these systems evolve and change over time and they ought to be studied also from this perspective. In this presentation the conceptual starting point of an innovation system is based on the literature on the RIS models. Linked to the recent academic concerns of evolution and change of innovation systems, the main focus is on how an innovation system emerges and develops. In addition, it is meaningful to ask when this phenomenon is 'a system' in other words when a particular innovation network could be defined being an innovation system. Furthermore, it is also useful to ask, is it necessary at all to have that whole system before innovation activity is flourishing? These themes, among others, will be answered with the empirical findings of emergence of a technology agglomeration that covers a time period from mid-1970's to 2010.

DEMAND VS. SUPPLY INDUCED REGIONAL GROWTH: GRANGER CAUSALITY TESTS USING PANEL DATA

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Is employment driving population changes, or population driving employment changes? This research question reflects a longstanding debate in regional economics since the early works of Borts and Stein (1964) and Muth (1971). A more traditional view is that people follow jobs but the contradictory view has also won popularity. Carlino and Mills (1987) first employed a regional adjustment model in which a system of two equations is used to model the interdependent processes of population and employment growth in the context of dynamic adjustment processes. Unfortunately, the approach includes certain shortcomings, and the empirical results based on this framework show rather inconclusive conclusions. The simultaneous equations model utilizes the methodology of instrumental variables (IV) in which the problem of finding appropriate instruments is problematic. In addition, the approach makes use only of two points in time, the first and last years of the research period, and it assumes homogenous causality processes between regions. This paper introduces an alternative approach to the Carlino-Mills setup for analysing the nature of regional growth processes in Finland in 1987-2011. The approach based on the Granger non-causality method in a panel framework overcomes the limitations of the traditional approach. The method evaluates causal relationships in panel data but do not assume that each member of the panel (i.e. region) behaves similarly. Thus, it is allowed that a causal relationship between employment and population growth is present only in a subset of regions but not in others. The hypothesis is that especially in growing regions jobs follow people while in stagnating regions this does take place. The results will be compared to the one given by the regional adjustment model.

REGIONAL DEVELOPMENT IN ROMANIA: HEADING TOWARDS TERRITORIAL COHESION OR STRENGTHENING DISPARITIES

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The political and economic changes that have incurred at the end of the 80s have brought about considerable changes in the territorial structure of the post-socialist countries (also in Romania) making the reorientation towards the west possible once again. The first steps were mainly related to integration into the Western European and North-Atlantic economic, political and defense systems which have contributed to the spreading of democracy and the increased globalization of the area. Due to the positive impact of western society, the macro-economic and social conditions of these countries have been significantly improved. But the goal to achieve a rapid economic growth has overshadowed the objectives of social equality, economic and territorial cohesion, having contributed to the increase of territorial disparities. The long-term presence of such a high level of regional disparities can lead to the rapid break-away of peripheral, disadvantaged areas, resulting in increased social tensions and the evolution of constrained development paths. Although new concepts and tools for territorial development have been elaborated in order to deal with these processes, as a result of reorienting spatial development policies the establishment of new institutional support structures has also become indispensable. Moreover the Lisbon Treaty added territorial cohesion to the goals of social and economic cohesion, highlighting in the Fifth Cohesion Report that these objectives are necessary to be introduced in new programmes, with particular emphasis on the role of cities, functional geographies, areas facing specific geographical or demographic problems and macro-regional strategies. That's why in the last few decades the concept of metropolitan regions has become an increasingly influential idea together with the belief that development policies for cities and regions have to be integrated in order to achieve maximum effect. In the case of metropolitan regions policies some authors highlight those strategies which can close the gap between the economically weaker regions and could achieve the stabilization of less favored regions and peripheral areas. Metropolitan areas could be considered as a synergetic component of territorial

development which - given the right circumstances - might even counterbalance the weaknesses of the surrounding areas. Also the European Economic and Social Committee argues that well-organized metropolitan regions can make valuable contributions to achieving the goals of the Lisbon Strategy, which aims to make Europe the most competitive and most dynamic region in the world, finding a balance between economic growth, social and environmental renewal, as well as sustainability. The Fifth Cohesion Report highlights the fact that European metropolitan regions are the cornerstones of territorial cohesion. In Romania the concept of metropolitan regions has been adopted relatively late, the primary purpose being to facilitate territorial leveling at regional level so the social and economic imbalance between the city and the adjacent localities could be reduced. The aim of the paper is to present the actual situation regarding regional development in Romania, highlighting the existing territorial disparities between regions and the role of metropolitan regions in the process of territorial cooperation and cohesion.

Gateway QVI

HOW, WHEN AND WHY DO CLUSTERS CHANGE? A LITERATURE REVIEW AND SYNTHESIS

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The past two decades have witnessed an enormous scholarly interest in regional clusters. An immense body of work has focused attention on explaining why clusters exist and what the main characteristics of “functioning” or fully developed clusters are. Research on clusters thus seems to be characterized by a rather static view. In recent years, however, there has been a growing recognition in the scientific community of the need to develop a more dynamic perspective and advance knowledge about how clusters change and develop over time. One approach that has gained increasing popularity within this newly emerging field of research is the cluster life cycle (CLC) concept. This concept, however, suffers from several shortcomings – above all from a rather deterministic view – that precludes capturing the complexity of cluster transformation and the variety of cluster development paths that potentially exist. The aim of our paper is to go beyond the CLC concept and elaborate on a more profound understanding of how clusters evolve and develop over time. As a first step we introduce the CLC notion, discuss the conceptual arguments made by its main protagonists and point to the limitations that surround this approach. This is followed by a critical review and synthesis of four alternative literatures and schools of thought that have contributed – albeit partly under different labels – to cluster research. We analyse the literatures on industrial districts, innovative milieux, regional innovation systems and evolutionary approaches to cluster change, focusing on conceptualizations of cluster transformation. We then contrast them with the view offered by the CLC approach. Particular attention is given to five dimensions of cluster change and the conceptual views on it. These include (1) the underlying process concept, (2) the units of change, (3) the driving and constraining forces of transformation, (4) the role played by endogenous and exogenous factors, and, (5) the importance assigned to spontaneous versus constructed processes of cluster change. Focusing on these dimensions, we compare insights provided by the different schools of thought mentioned above, uncovering similarities and highlighting the main differences in their explanations and conceptualizations of cluster transformation. This enables us to outline the contours of an alternative approach of cluster change. The paper concludes by suggesting an agenda for future research and provides some reflections on policy implications that can be drawn from different schools of thought reviewed in this paper.

Gateway K

SCOTTISH WIND ENERGY POLICY: THE ROLE AND THE CAPACITY OF SCOTTISH INTEREST GROUPS TO CREATE A POLICY 'SPACE' IN WHICH TO DEVELOP THE POLICY FOR WIND ENERGY IN SCOTLAND

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In 2007 and 2011, the SNP Government in Scotland was elected on a manifesto committed to increased powers for the Scottish Parliament and ultimately independence and developing renewable energy. However, the existing powers of the Scottish Parliament are limited in the field of energy which is largely a responsibility retained by Westminster. The prospect for advancing Scotland's renewable energy, at least distinct from UK policy, presents challenges. It is the main task of this paper to examine how and whether Scottish interest groups and the Scottish Government may act to create a policy 'space' in which to develop the policy with regards to wind energy. Thus, the paper examines the prospects of wind energy development in Scotland in relation to various Scottish interest groups. In particular, it examines how and whether Scottish policy actors (e.g. Non-Governmental Organisations, industrial actors, etc) and the Scottish Government may use the Scottish devolved powers (e.g. planning decisions and the spatial policy) in order to direct the Scottish wind energy policy independently from the UK Government. Research has followed an interdisciplinary approach covering three different aspects of the wind energy issue: the technology of wind energy systems (turbine technology, transmission and distribution of energy, smart grids, 'supergrids', onshore versus offshore technology); the interest group theories that explain the role of interest groups in liberal societies and particularly in the UK (theories explaining the contemporary public policy practice as a policy game played between different policy 'frames' and within various policy 'venues' were also included); and the UK and the EU renewable energies legislations which set the boundaries of the policy game. The main idea was that technological issues spill over to political, social and environmental realms, and that policy-making actors need to keep up to date with the latest technological successes which will dictate to them the present and future ways of action. Furthermore, theoretical evidence was also coupled with empirical evidence collected through a wide range of interviews including representatives of business groups, pressure groups and governmental agencies acting in Scotland. This research work is an attempt to develop a fresh and modern understanding of regional policy development as a multidisciplinary and multi-actor task that covers the contemporary social and political dynamics together with the great technological progress (as well as the technology's capacity for progress) of our era.

Gateway QV

ENGAGING THE 'NEO-MARSHALLIAN NODES IN GLOBAL NETWORKS' THESIS IN GERMANY. CAUSAL-ANALYTICAL CONSIDERATIONS OF AGGLOMERATION AND NETWORK EXTERNALITIES

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There is a growing consensus in the academic field that economic prosperity in city regions is not only influenced by agglomeration economies internal to the region, but that connectedness to external production and information networks play an important mediating role. Often touted phrases such as 'local buzz in global pipelines' and 'neo-Marshallian nodes in global networks' are testimony to that consensus. If we take the claim at face value, it would imply that regions that contain both a well-developed agglomeration economy and are adeptly connected in networks exogenous to the region perform better than regions that are dominantly typified by only one of these characteristics. In other words, agglomeration and network externalities are taken to work synergistically with each other. Although the regional scientist's toolkit contains both well-developed tools to measure agglomeration externalities and connectivity to exogenous networks, it is difficult to disentangle them analytically and therefore to empirically test the above proposition. First of all, network externalities and agglomeration externalities co-evolve. It is fully logical in a globalized age that a productive vital city-region will in due time be incorporated more intensively in global production and information networks. It is equally logical that spillovers from expanding connectivity with these networks will ultimately lead to urbanization and increasing agglomeration externalities. This means that spatial autocorrelation and multicollinearity is expected to be paramount. Any attempt to analytically disentangle the two types of externalities will consequently require advanced analysis methods such as Structural Equation Modeling (SEM) to take spatial effects into account. A second theoretical and analytical problem concerns the question where

agglomeration externalities end and exogenous network spillovers begin. Firstly, we have to engage with this Modifiable Areal Unit Problem (MAUP) theoretically, by providing a proposition that makes agglomeration and exogenous network externalities mutually exclusive. Secondly, we have to utilize our geostatistical tools and terrain knowledge of the cases under study to alleviate the irresolvable MAUP as much as possible. The paper engages these research challenges by studying the interaction between agglomeration and exogenous network externalities in German city regions. The paper opens with an explication of the theoretical problem and a justification of the chosen territorial and analytical operationalizations. Subsequently, we elaborate an advanced SEM that enables us to differentiate between the effects of agglomeration and network externalities on Gross Domestic Product (GDP) per capita. We further investigate the aforementioned MAUP by applying spatial lag estimations in relation to assessments on labor market area size. Network externalities are operationalized by interlocking firm networks of knowledge intensive firms in advanced producer services and high-tech sectors as well spatial accessibility and air passenger movements. Agglomeration externalities take the size of the regional economy and the structure of employment into account. Based on a series of models we show that both agglomeration and network effects are relevant for the economic performance of city regions. Furthermore, models including both agglomeration and network effects at the same time predict GDP per capita better than taking their effects into account separately.

Gateway D

TOWARDS A NEW INDUSTRIAL POLICY? THE CASE OF SUB REGIONAL DEVELOPMENT IN FLANDERS (BELGIUM)

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In line with the Europe 2020 Strategy, various strategic initiatives to guide socio-economic development are undertaken by regional governments around Europe (e.g. 'Flanders in Action'). In this context the Flemish government initiated a 'New Industrial Policy', a transformation policy agenda targeting the growth of internationally distinctive knowledge-based clusters. In the current debate on this new generation of industrial policies the concept of 'smart specialization' has gained significant political and analytical importance at the regional level. We argue that also the subregional level is of significant importance in the development of 'smart specialisation'-based policies. The Flemish subregions hold a different economic specialization and show a different growth pattern. This also shows in the spatial focus of the economic policies and the chosen strategic sectors of the relevant actors. In the Flemish policy scene, various priority-setting projects were undertaken by regional, subregional, cross-border and local actors. These actors have developed their own economic agenda, although there are overlaps between the existing policy schemes. From this perspective, the paper investigates existing initiatives of various actors in Flanders and their relation to top-down regional and European policies. The aim of this paper is twofold. Firstly, to give an overview of existing 'smart specialisation'-initiatives. A comparative analysis allows us to evaluate the current state of 'smart specialisation'-based policies at subregional level and their link with the 'New Industrial Policy'. We further review these initiatives and search for a synthesis that could be used by policy-makers in the planning of the location of strategic economic activity. Secondly, using a framework developed by Pumain (2006) and Rozenblat (2010), we further reflect on the location of strategic economic activities and clusters in Flanders. We focus on the interrelationship between various policy lines of the 'New Industrial Policy' (e.g. embeddedness, lead-plants, clustering). In conclusion we question how the new generation of industrial policies focused on 'transition/transformation' can influence the spatial-economic development of Flanders. In this way possible future trajectories of regional development can be outlined and can support policy-makers in decision-making on regional economic development.

INSTITUTIONAL AND REGIONAL FACTORS BEHIND UNIVERSITY PATENTING IN EUROPE: AN EXPLORATORY SPATIAL ANALYSIS USING EUMIDA DATA

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Over the past 30 years universities have been increasingly considered as key instruments of regional economic development policy in many countries of the World. Contrary to the US where studying the entire universe of academic institutions is a real possibility thanks to the availability of regularly collected nation-wide information on all universities in Europe no such coordinated data collection efforts are in existence. This is why the EUMIDA database constitutes such a pioneering work. In this paper we take advantage of the availability of the EUMIDA data for scientific investigations. We selected to focus on one specific, widely promoted form of academic entrepreneurship: university patenting. Following what the literature teaches us about the likely institutional and regional level impacts on academic entrepreneurship we utilize EUMIDA information to build as large a sample as possible to study European-wide tendencies of university patenting. Regional level impacts are investigated at the NUTS 3 level, which is in itself a novelty in the literature. This lower level of data aggregation opens the possibility to get closer to the spatial level of metropolitan areas where university-industry interactions most probably take place.

INNOVATION AND KNOWLEDGE INTENSITY IN THE LESS DEVELOPED SOUTHERN GREAT PLAIN REGION OF HUNGARY

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As a result of the expansion of knowledge-based economy and the global economic activities higher attention is drawn to identify all the determinants, which contribute to the increase of competitiveness and the specialization of economic actors and regions. There are several factors, which explain the difference between developed and less developed regions, and one of them is the difference in innovation capacity, which can lead to differences in the innovation performance as well. The literature of innovation systems provide a suitable framework to analyze innovation processes both at regional and sectoral level and to reveal all the elements and interactions, which are essential for the production, diffusion and use of knowledge. The concept of innovation systems puts a great emphasis on the social context of innovation activities and the interactive nature of learning. According to the conceptual framework of regional innovation systems, the interactive learning takes place in two subsystems, in the knowledge application and exploitation subsystem, and in the knowledge generation and diffusion subsystem. The knowledge application and exploitation subsystem consists of firms forming regional clusters and also their support industries. All industries produce and use new knowledge and technology, but industries with analytical or with the combination of analytical and synthetic knowledge base are more knowledge or technology-intensive. Knowledge-intensive industries have attracted a great attention in knowledge application and exploration. They generate positive effect on the regional economy, and can have a leading role in the development even of less developed regions. Due to their nature as special kind of sectoral innovation systems, knowledge and innovation activities in knowledge-intensive industries are generally spatially bounded. For this reason if firms in an industry are geographically concentrated in a region, economic conditions of the particular region have an impact on the industry, even if it is a knowledge-intensive one. Recent study attempts to answer the following research question: how innovation activities of knowledge-intensive industries can be characterized in the less developed NUTS2 region of Southern Great Plain in Hungary? The statistical and questionnaire-based research highlights the specificity of knowledge-intensive innovation activities, the nature of cooperation, and attempts to detect the interdependencies of regional economic conditions in the less developed regions and the innovativeness of a restricted circle of knowledge-intensive industries.

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There is a growing consensus in urban and regional studies about how the spatial structure of city-regions has become increasingly polycentric. In polycentricity research, however, a clear shift has taken place during recent years. Previously, the concept was predominantly understood in morphological terms and polycentric urban systems were approached as topographical entities formed of a number of adjacent centres that are located within the same urban system. Currently, research is increasingly focused on functional polycentricity. Although functional connections are assumed to exist also in morphologically polycentric systems, a dense network of flows forms the conceptual basis of functional polycentricity where the topological connections between the centres tie the region together as a functionally polycentric urban network. Two theoretically distinct conceptual approaches to functional polycentricity have arisen in recent research literature. The first approach focuses on the direction of functional linkages between the centres in a polycentric urban system. This approach has its roots in transportation research where the directions of commuter flows were no longer found to follow the traditional monocentric model but to be increasingly complex. According to this view, an urban system can be described as functionally polycentric when two-way flows between a region's core and its sub-centres as well as those between the individual sub-centres exist. An important feature from the viewpoint of this approach is the balanced distribution of functional linkages between the centres as a notably unbalanced distribution would by definition yield a functionally monocentric urban structure. The other conceptual approach, spatial integration, concentrates on the functional connections between separate centres within the urban system. Instead of the direction of flows, the spatial integration approach addresses the strength of functional linkages between the centres. In a spatially integrated polycentric system, the actual flows between the centres under examination do not differ markedly from the total potential flows. Different methods of measuring the degree of spatial integration have been introduced including, for instance, network density and the gravity model. Recent research has suggested that these two approaches on functional polycentricity are theoretically distinct phenomena and spatially integrated urban systems may have a highly unbalanced functional structure while functionally balanced urban systems may be weakly spatially integrated. The recognition of these two approaches to functional polycentricity has generated fuzziness around the term. In general, the concept of functional polycentricity refers to a multi-nodal urban system, which has functional linkages between its centres. However, the same term has also been used to describe the balanced distribution of flows within an urban system. Although it is justifiable to call a functionally balanced multi-nodal urban system functionally polycentric, as an unbalanced urban system would by definition be functionally monocentric, the existence of parallel interpretations has created conceptual ambiguity and confusion around the term. Therefore, in this paper, the term 'functional polycentricity' refers to the general interpretation of a networked multi-nodal urban system while the term 'functional balance' is used to describe the balanced distribution of flows within such a system. Hence, a functionally polycentric urban system may be spatially integrated, functionally balanced or both. The purpose of this paper is to clarify the conceptual fuzziness surrounding the term 'functional polycentricity' and its different interpretations. Herein, the particular aim is to clarify the relation between spatial integration and functional balance and to highlight the implications of a conceptual distinction between the two approached for empirical research. Moreover, the paper aims at strengthening the methodological foundations of research on polycentric urban systems. The paper develops further the connectivity field method, introduced earlier, and tests its feasibility to measure both spatial integration and functional balance across different scales. This is demonstrated with a case study from southern Finland. Using detailed commuting data, the paper analyses changes in spatial integration and functional balance between 1980 and 2007 at three scales: the inter-regional, intra-regional and intra-urban scale.

COMMUNITY-LED LOCAL DEVELOPMENT IN THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

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In line with the general presentation of the RSA Conference 2013, this paper aims at exploring new solutions for policy delivery in the future. Its starting point is the belief that a growing number of needs can be better addressed at local level, since one-size fit all policies have shown their limitations, especially regarding their capacity to utilise specific local opportunities to support the sustainable development of territories. Further, sector-specific policies have shown their limitations in addressing local needs as they often fail to take into account the territorial impact of the operations they support. For the last 20 years, Community-Led Local Development (CLLD) has demonstrated its capacity to complement top-down rural development policy (LEADER within the European Agricultural Fund for Rural Development) and more recently sectoral fisheries policy (Axis 4 of the European Fisheries Fund). Empowering local partnerships to implement integrated development strategies in a specific local area has led to a myriad of projects creating growth and jobs where these are most needed. The European Commission has proposed that in the 2014-2020 programming period, CLLD could be implemented across the territory of Europe by local partnerships in which public authorities, the private sector and the local civil society would be represented. These partnerships could be active in different types of territories (rural, coastal, urban, etc.) or address the needs of specific social groups such as Roma. Four European Structural and Investment Funds (ERDF, ESF, EAFRD and EMFF) could be mobilised to implement integrated local development strategies. The Commission has also proposed that support from the four ESI Funds could be used jointly by local groups to undertake more ambitious integrated local development strategies. An important simplification effort has been made by including CLLD in the 'Common Provision Regulation', which includes rules that are common to the four ESI Funds. Specific features are included in the design of this new policy orientation:

- Sub-regional areas: funds are concentrated on the areas that need and can use these most. Solutions are adapted flexibly to meet the diverse needs and opportunities of local territories - at the right time and place.
- Partnerships: co-responsibility and ownership, no interest group whether public or private dominates. The partnership mobilises the knowledge, energy and resources of local actors.
- Integrated strategies: the actions reinforce each other and build on the strengths of the area. Linkages are improved horizontally with other local actors and vertically with other levels in delivery or supply chains.
- Innovation in a local context: the method generates new ways of thinking and doing - new markets, new products, services, ways of working and social innovation.
- Networking and cooperation: local areas and communities learn from each other and find allies for strengthening their position in a global economy.

Work undertaken on LEADER and on Axis 4 of the EFF has shown that a key element for the success is the quality of the local strategies, which has too often been underestimated. A local development strategy should not present a very general approach but should be based on a good SWOT analysis of the local area concerned and the identification of needs which should be undertaken in a collective fashion. The strategy should be carefully designed to address those needs. The Axis 4 of the European Fisheries Fund has supported CLLD in fisheries-dependent areas since the beginning of the 2007-2013 programming period. Around 567 of European funding has been made available to support over 300 'Fisheries Local Action Groups' in 20 Member States. More than 3000 projects have been approved so far, and there is much more to come. Axis 4 has proved a very valuable addition to the sectorial dimension of the policy and is more and more accepted by the organisations representing the fisheries sector at all levels. DG MARE wishes to continue supporting this approach for fisheries under the European Maritime and Fisheries Fund for the 2014-2020. The Commission is also of the opinion that this approach could be beneficial for the progress of the Integrated Maritime Policy, in particular with reference to the new opportunities that the 'Blue Growth' agenda could offer to local actors in the European coastal areas.

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Schumpeter was the first to characterize the innovation major role of the entrepreneur for the economic growth (Schumpeter, 1942). By inventing new products, new processes or techniques, the entrepreneurs searches for monopoly rents and forces the social and economic structure to evolve. The routines, characterized by accommodative behaviour, which may endure for long periods are suddenly broken, in a sequence of stagnation and evolutionary periods (Schumpeter, 1947). Therefore, according to the Schumpeter theory, innovation is at the core of economic growth, and moreover, to social and economic structural changes. The process of technological changes is usually divided in three phases: invention, innovation and diffusion. Spatial distance issues, be that in a physical, economic or social sense have been at the core of many theoretical and empirical investigations. As pointed in (Lucas, 1988): "What can be people paying Manhattan or downtown Chicago rents for, if not for being near people?" By considering that knowledge isn't freely available, but embodied in human beings who carry it, Lucas was one of the first to point to the relevance of space and urban agglomerations (Autant, 2003). Knowledge, as a form of human capital, is geographically bounded as human mobility is restricted. According to the learning by doing model of (Lucas, 1988), the productivity increases with the urban size because formal and informal interactions and the sharing of knowledge and competences induce externalities, which guarantees constant rate of returns. The present studies is based in a cross-section analyses. However, several criticisms are pointed at these models, mostly related with the existence of multicollinearity, endogeneity, biasedness and the existence of specification errors. These problems may seriously affect the robustness of the estimations and produce misleading outcomes (Quah, 1993, Evans, 1996 and Casell, 1996). Moreover, according to Anselin (1988), LeSage (2009), among others, the introduction of the geographical dimension, namely in the presence of spatial autocorrelation, allows not only to capture the spatial effect, but also to improve the estimation and prevision since spatial dependence violates some of the Gauss-Markov assumptions of the OLS estimation (cross section observations are no longer independent) producing inefficient estimators. Two kinds of spatial effects are pointed out in the literature, namely: (i) spatial autocorrelation, revealing that contiguous regions may influence each other's performance through spillover effects and (ii) spatial heterogeneity, whenever the same functional form is erroneously considered for all regions. ^{footnote}For comprehensive references about spatial econometric see for instance, Anselin (1988), Gallo (2002b), LeSage (2009)). Spatial autocorrelation, in turn, can be of two types: the spatial autoregressive dependence, in which the dependence is attached to contiguous economic variables and the spatial autocorrelation in the disturbance term, in which the spatial dependence is captured in the error term due to omitted variables or deficient functional form. Theoretically, we can argue that workers with higher schooling are more productive than their low-grade counterparts. Schooling is embodied in the broader concept of human capital. Moreover, at the macro-level, most studies reveal a positive relation between human capital accumulation and productivity. At the firm level, however, the relation between human capital and economic performance is still controversial. According to the Schumpeter creative destruction theory, an increase of productivity must be associated with a higher level of firm's failure. Innovation corresponds to changes in the production function which cannot be decomposed into infinitesimal steps (Schumpeter, 1935). Later on: "Creative response changes social and economic situations for good, or, to put it differently, it creates situations from which there is no bridge to those situations that might have emerged in its absence. This is why creative response is an essential element in the historical process" (Schumpeter, 1935). Moreover: "The competition of the man with a significantly lower cost curve is, in fact, the really effective competition that in the end revolutionizes the industry. Detailed investigation of this process which may many forms might teach us much about the actual working of capitalism that we are but dimly perceiving as yet" (Schumpeter, 1935). The present article leads on with an empirical assessment about the Schumpeter creative destruction hypothesis at the Portuguese municipal level, using a spatial econometric framework. We estimate a model with spatial fixed effect, exploring the relation between human capital, productivity and firm failure rates, based on panel data for the 278 Portuguese municipalities between 1997 and 2010. The choice of spatial weights is a key issue in spatial model. Standard approaches, built on

geographical proximity (contiguity or distance), which impose a theoretical and fixed pattern of spatial interaction, may not correspond to the economic and social reality. As such, based on the assumption that geometric space is not adequate to fully embrace the complexities of spatial structures, we develop an alternative methodology in order to propose a framework to capture and analyse the intangibility of space, both in terms of spatial heterogeneity and spatial spillovers. In this potential multidimensional non-Euclidean space, which does not necessarily conform to the usual physical concept of distance or contiguity, we use a more complex representation of space exploring the economic and social connexions that link our geographical units.

Gateway M

THE RISE AND RISE OF THE PRIVATE RENTED SECTOR – A NORTHERN PERSPECTIVE ON HOUSING POLICY IN ENGLAND

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A quiet revolution has taken place in England where housing needs are increasingly met through the Private Rented Sector (PRS), a trend which has been cemented by the Localism Act 2011 and the Welfare Reform Act 2012. This paper argues that the recent reforms put social landlords at a disadvantage in the weaker housing market areas in the North of England. Over recent decades, the share of the local authority rented sector in the overall tenure mix has shrunk from 27 per cent of all households in 1981 to 8 per cent in 2010. The contributing factors, documented in literature, include a determination across the political spectrum to support home ownership and reduce state provision through a shift from supply to demand side housing subsidies. The rise of the PRS has been underpinned by the co-emergence of buy-to-let mortgages and assured shorthold tenancies as part of a wider programme of deregulation. This paper illuminates the consequences of recent housing policy trends in England from a northern perspective. Based on a case study of Bradford in West Yorkshire, the paper explores the relationship between the district's housing need and offer in the rented sector. The methods include secondary analysis of administrative data, an online residents' survey, interviews and workshops with housing professionals in the district. The study reveals that the introduction of the Local Housing Allowance in 2008 has resulted in a substantial boost in the PRS; the sub-sector grew by 70 per cent in just three years (an increase from 11,109 in 2008 to 18,641 claimants in 2011) in the district. In Bradford, 45 per cent of housing benefit recipients are in the PRS, compared with 26 per cent nationally. The PRS works as a 'pressure valve' in areas with high housing need, which may be expedient from a housing policy perspective but the long-term social and spatial consequences are ill understood. Among the most pressing concerns are stock condition, overcrowdedness, the local authority's wider remit in place making and the intimate relationship that housing has with many other areas of social and economic policy. The paper concludes that in housing market areas such as Bradford, a large proportion of the PRS has become a de facto social landlord without the institutional, regulatory and service networks that de jure social landlords have. It is already often in direct competition with social landlords whose rents in places are higher than those in the PRS. Where national housing policy is concerned, it is unrealistic to assume that the residential offer in any sector could change quickly enough to match policy changes, such as the recent decision on 'over-accommodation' in the social rented sector. Finally, this paper highlights areas for further research and makes the case for more spatial awareness in housing policy.

Gateway A

REGIONAL DEVELOPMENT, INNOVATION POLICIES AND TRANSNATIONAL LEARNING

Seija Virkkala, University of Vaasa, Botnia-Atlantica Institute, FINLAND

Åge Mariussen, Botnia-Atlantica Institute, University Vaasa, Finland and Nordland Research Institute, NORWAY

Regional development, innovation policies and transnational learning Seija Virkkala, University of Vaasa, Botnia-Atlantica Institute, Finland Åge Mariussen, Botnia-Atlantica Institute, University of Vaasa, Finland and

Nordland Research Institute, Norway This paper is exploring preconditions for and suggesting methods of transnational learning promoting regional development and innovation. Transnational learning has been going on for a very long time, and in a variety of ways. It has often been the imitation of the success region. However, in our polycentric world, transnational learning is more likely to be explorative and interactive, without any clear ex post role definition of sender or receiver. The preconditions for these kinds of interactive learning are present. The paper discusses the ways networks of regional actors and networks consisting of firms, research institutes and support agencies can learn and contribute to regional change with the help of the inputs from other regions. It argues that it is possible to introduce important inputs for regional development and regional innovation policy with the help of transnational learning. Transnational learning can improve the practice of regional development network and give seeds for new development path in the case of negative lock in of the path or external crisis. By reflecting, externalizing and translating the good practices of other regions, combining them with existing elements and internalizing the new practice, the absorptive and development capacities of regional actors increase and a positive knowledge spiral important especially for peripheral regions can be started. Analysis of transnational learning in the case of regional and local development is made in framework of the theory of organizational knowledge creation by Nonaka et al. Nonaka's theory provides the analytical tools for understanding the knowledge conversion process from tacit good regional practices to explicit and transferable forms of knowledge, as well as for understanding the learning processes of regional actors. While the point of reference in Nonaka's theory is organizations, here it is applied to the learning processes of regional development networks and actors, even if their basic objectives related to society, wellbeing and sustainability differ from the goals of the former. The paper argues that the SECI process, ba, and knowledge vision can be used in learning transnational learning. This paper discusses the local innovation policies and learning based on the theories and methods of transnational learning developed in the book Mariussen & Virkkala (eds.) *Learning Transnational Learning. The case of regional and local development*, Routledge Studies in Human Geography, 2013 as well as by Botnia-Atlantica Institute, University of Vaasa, Finland.

Gateway D

THE ROLE OF PROXIMITY RELATIONS IN REGIONAL AND TERRITORIAL DEVELOPMENT PROCESSES

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Proximity analyses have nowadays turned out to be a part of the toolbox of regional scientists and this notion recently became very popular in the position of politics, and private or public stakeholders. Proximity is an argument for selling food or financial products, as well as a good slogan for local networks or social devices or even for policymakers. In parallel, the notion of proximity spread in the academic literature and is now commonly used by scholars in regional science, geography or spatial economics. The use of the word proximity increased and grown in importance, in particular for authors interested in the question of milieus, districts, distance analyses, or in recent advances in economic geography or evolutionary geography. But despite the substantial literature on proximity processes and relations, only a few academic works have been devoted to studying the link between regional development and proximity relations. This paper intends to fill this gap and to pave the way for future research in this field. We consider that the integration of the notion of proximity into the framework of regional development analysis provides interesting input due to its plasticity and ability to draw connections between spatial, economic and social dimensions; but also suggests ways of possible changes for regional and territorial policies. By making a survey of the existing analytical tools, the main outline is to try to assess the importance of proximity relations (or obstacles led by proximity relations) in regional development processes, and discuss approaches of different disciplines. We aim to re-situate the analysis of proximity within the various theoretical approaches to the territory and, in particular, to highlight its place and the role it could play in the study of regional and territorial development processes, and possibly its contribution to public policies or collective action. Indeed, in a context of protracted crisis, often characterized by negative growth rates, uncertainty about the future of some nations, but also recurrent development problems, questioning about how to stimulate the economy while ensuring sustainable development has grown stronger. It combines the concerns related to the growing imbalances within sub-national spaces, and the resulting necessity of finding ways to maintain some forms of cohesion within nations

and supranational groupings. Thus, it seems interesting to investigate the relation between proximity analyses and regional or local and territorial development; taking into account long distance relations and clusterisation processes has led to a renewal of development approaches. Our investigation in this paper consists of addressing three main axes of inquiry related to the ability to go beyond the sterile opposition between the local only and the decisive influence of distance relations: - Are the themes addressed in these approaches wide and diverse enough to account for the mechanisms that reflect the diversity and complexity of the processes of local development (or are they, on the contrary, too specific to certain areas)? Have the results of these works proved to be sufficiently generic to justify that they be applied more widely and to help one understand how proximity relations influence the processes of regional development? - Are the (conceptual and analytical) tools, models and applied (qualitative and quantitative) studies based on an analysis of the phenomena of regional development through proximity sufficiently robust and objectifiable (and can they be used to generate valuable measures)? Do they provide insights into the phenomena of development, at regional and local levels? - Without necessarily adopting a normative approach, can the results of proximity based analyses be translated into recommendations for decision-making and coordination between stakeholders, including in the field of public action or policies?

Gateway F

THE USE OF WIKIS FOR REGIONAL DEVELOPMENT PROCESSES: AN EMPIRICAL ANALYSIS IN AUSTRIA, GERMANY, AND SWITZERLAND

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The Web 2.0 ("social web") can be defined as the sum of new internet- tools and applications using the web as a platform for data which are created and controlled by the users collectively. It modifies communication patterns, personal attitudes, and political cultures worldwide – technological change causes social change. The observations can be interpreted as a kind of 'transculturation' process in which foreign elements become introduced into established cultures. The increasing meaning of the Web 2.0 is discussed in different fields of politics and society but less reflected in regional development research. At a first glance it seems promising to use such platforms to enhance the group of activists and to promote and discuss the issues of a regional development process. The discussion on (regional) governance is a discussion on the cooperation of different actors in (regional) decision making. A governance structure includes different types of actors with specific logics and a specific 'modus operandi' cooperating in network structures based on self-organization. Such structures are said to be bounded on a physical space, on proximity and personal connections. With the new tools of the social web it is possible to act in a new spatial and social dimension. They may change the influence of the regional actors on governance and even government structures. And they can provide new approaches to foster the local or regional identity. The paper is based on a recent paper which delineated first considerations how to make web 2.0 applications useable for regional development processes. In regional development practice already some concrete endeavours has been made to use web 2.0 applications. The paper empirically investigates one of the most prominent web 2.0 applications for regional development, the so-called 'Regio- Wikis', a kind of regionalized Wikipedia. The paper is structured as follows: Section 1 sketches some theoretical considerations on the specific quality of web 2.0- applications with respect to regional development processes concerning concepts, users, target groups, culture, and inherent rationality. It particularly emphasizes the meaning of the social web for the exchange of information on the one hand and the knowledge transfer on the other hand (section 2). In section 3 the analysis concentrates on one of the most prominent web 2.0- applications, the wikis. It investigates the potential use of the tool for regional development. Section 4 empirically analyses for about 50 existing 'Regio-Wikis' in German- speaking countries focussing on participants, users, and central issues. Section 5 summarizes the results with respect to the potentials and limitations of such wikis for regional development processes.

SOFT SPACES ACROSS THE FEHMARNBELT: TERRITORIAL RE-SHAPING AND CROSS-BORDER REGION-BUILDING

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This paper examines the role of soft and hard spaces in processes of region-building across the Fehmarn Belt between northern Germany and Denmark. Recent contributions to the spatial planning and new regionalism literatures highlight the role of non-statutory, soft spatialities and unusual geographies in processes of sub-national and transnational regionalisation in Europe. Indeed, the recent promotion of transnational regional spaces in Europe may be interpreted in terms of the emergence of a qualitatively distinct aspirational territoriality based on explicitly European normative objectives and policy aspirations. Territorialist spatial imaginaries, nevertheless, continue to inform the politics underlying processes of soft space strategy-making and governance at multiple scales, potentially undermining their capacity to break of existing state-centric, 'container space' metageographies. From a critical perspective, however, transnational soft spaces raise significant accountability and legitimacy issues and highlight the need to reconsider contemporary models of democratic governance and their application in post-national contexts where the traditional, spatial congruence of state, society and economy no longer holds. According to its promoters, the Fehmarnbelt fixed link, scheduled to be operational from 2021, will provide a critical impulse for cross-border regional development with potential game-changing significance for the economic geography of northern Europe. This expectation and positive interpretation is, however, not shared by all interested parties and critical uncertainties and value judgements regarding environmental costs and the balance between local, regional and European costs and benefits make any objective economic evaluation difficult. At the local level negative impacts are anticipated as other trade and passenger routes become less competitive and potentially cease operation. There are also serious environmental concerns relating to the ecology of the Fehmarnbelt (an important meeting point between the Baltic and North Seas) and the impacts of the proposed transport connections in Northern Germany. Within this context, cross-border cooperation initiatives involving political, administrative and business actors in various constellations are concerned with the development of the 'mental bridges' required for the formation of a new cross-border region. This meta-regional cooperation space, stretching from Hamburg to Copenhagen and Öresund is characterised by a plurality of soft spatial concepts at multiple scales and with variable boundaries, constructed through elements of territorial, scalar, network and place-based geographies. Drawing on the analysis of qualitative interview data and policy documentation, the paper will examine the soft spaces of cross-border cooperation, as one element of a complex spatial governance landscape where territorial and relational, hard and soft forms of space interact in the socio-political construction of the cross-border region at multiple scales. The paper will furthermore critically examine the (post)politics of this transnational regional-building process, and in particular, the pervasive influence of dominant neoliberal discourses of international competitiveness.

CHINA'S MAIN FUNCTIONAL ZONE PLAN: REDUCING OR INCREASING REGIONAL DISPARITY?

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While the economic centred development strategy in the last three decades has brought China with economic wealth, it also generated serious social and environmental problems, such as eco-environmental degradation and regional disparity and inequality. In order to tackle these issues, the Chinese government introduced the "main functional zone (MFZ)" concept in the making of regional planning since the 11th Five-Year Plan (FYP)

started in 2006 aimed at sustaining regional development based on regional potentials and development conditions. The entire national territory was classified by four MFZs based on their reserves of natural resources, eco-environmental capacity, and the current intensity of development. Areas that are already industrialised but with no more land available for urban and industrial expansion were classified as “optimising development zone” which means future development activities need to be directed toward knowledge intensive economy; areas with relatively rich resources and eco-environmental capacity, but have not been fully exploited are classified as “prioritising development zone” meaning future development activities need to be encouraged both for industrialisation and urbanisation; areas are environmentally vulnerable but important to national eco-environment safety are classified as “restricted development zone” where the development activities are restricted; areas reserved by law or national policy for historical, cultural, natural heritages, national parks and landscapes, and are crucial to national eco-environment safety, are classified as “prohibited development zone” within which no future development activities are allowed. The 12th FYP further refined the goal of optimising and prioritising development zones is to develop toward “urbanisation areas”, and added “core agricultural production areas” and “crucial ecological production areas” to restricted and prohibited development zones. The MFZ plans were made at the national and provincial levels. The national level plan uses county level as the unit. The provincial level MFZ plans were asked making detailed plan which should cover the entire territory under jurisdiction. The MFZ plan also required a set of tailor-made regional policies such as corresponding investment, industrial, migration, land, environmental, and fiscal policies, and assessment measures of local economic growth targets and political achievement in place to support the implementation of the plan. The China State Council wanted the MFZ plan to be theoretical base for China’s future regional planning and the core strategy toward a more sustainable development. Given the apparent regional disparity and inequality resulting from the uneven development policy in the post-reform period, this study aims to examine whether the MFZ plan helps rebalancing regional development in China. It will first analyse the principles of the MFZ concept from a strategic spatial planning perspective, then examine the policy package in supporting the implementation of MFZ plan and the institutional arrangement ensuring policies fully implemented. Both statistical data and survey will be used to test against the efficiency of the MFZ plan.

Gateway H

PLACE BRANDING AND RURAL REGENERATION: UNDERSTANDING THE ROLE OF TELEVISION IN THE CASE OF THE VILLAGE SOS PROGRAMME IN THE UK

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The role of television has had relatively little consideration in regional studies. This may be for the simple reason that regional policy seldom makes what mainstream public service programme makers require: audience share and impact, with the latter defined quite broadly. There are some small exceptions to this where issues of locality stray into the making of myriad lifestyle programmes. Against this backdrop the British Broadcasting Corporation (the BBC) together with the UK’s Big Lottery Fund (the largest lottery distributor in the UK) commissioned a television programme alongside a major funding initiative – both called Village SOS. The aim of this venture was to demonstrate the potential of rural community enterprise in regenerating disadvantaged communities across the UK. Ten enterprises were funded of which six featured in a six part television series shown on BBC1 (the main public service channel in the UK). Following the television series a further funding initiative invited applications from rural communities seeking support to set up local resident owned enterprises. Drawing on a year-long evaluation of Village SOS, this paper explores how the well-established themes in rural and regional policy – community involvement, place-based competitiveness and to some extent locality branding – interacted with the media, through the making and broadcast of a television series. The design of Village SOS was intended to capitalise on the potential for place based branding, to stimulate enterprise and ultimately to make some lasting impact on the social and economic fabric of rural communities. Each of these assumptions is tested in this paper. The schemes were selected both for their business proposition but also their appeal as television programmes. In many respects they reflected the leitmotifs of contemporary community enterprises: they included community cafés, two music festivals, a pub, a local crafts maker and a series of visitor attractions. In terms of community involvement the research found quite mixed evidence of participation in individual enterprises: a village shop attracted more interest than a local food marketing initiative. However, involvement also needs to be understood in within longer term

patterns of resident participation. The research found the time pressures of television production schedules came most starkly up against the longer timescales required for building commercially viable enterprises and the involving local communities. Village SOS was a policy experiment for the Big Lottery Fund in the UK; and to some extent a departure for the BBC in making a TV programme which combined elements of reality/jeopardy with wider aspects of public service. Village SOS was also made at a particular juncture in political economy in the UK: where there is both state and market withdrawal from localities and communities are called on by policy makers to fill this void in a variety of innovative and entrepreneurial ways. The role of the media in this light can be viewed in different ways: from the true spirit of documentary based programming to inform debate but also through the engineering of jeopardy and risk to ensure viewer entertainment. The enterprises featuring in the television series were seen as catalysts in this process. In conclusion the paper reflects on the role of the media in place branding and more generally in contemporary regional studies. As Pike (2009) and others show, the shift from commodified to branded forms of capitalism touch down in a variety of spatial and place configurations: of these the most prevalent are of world-cities and nations. Similarly some luxury and higher value goods have been successful in associating place, product and brand (goods such as Bordeaux wine spring to mind). However, this in turn raises questions for those places without such unique place identifiers and potential for brand value, and with this, deeper concerns for territorial justice in the future.

Gateway QV

URBAN REGENERATION IN SWITZERLAND: A COMPARATIVE STUDY OF REGENERATION PROJECTS

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Different processes of change, e.g., globalisation, climate change and a growing diversity in society affect cities. These changes and transformations might have negative consequences for the quality of life of city populations such as an inappropriate stock of real estate or urban building structures that aggravate heat waves. Urban regeneration is a way for cities to actively response to these structural changes, and it might occur in a more or less adaptive way. This paper aims at answering the question, what types of urban regeneration projects can be understood as more or less adaptive responses in the situation of structural change. We define urban regeneration as actions and efforts that aim at the improvement of an urban area regarding either its social, economic or environmental characteristics. Processes aiming at improving the urban area can occur with different degrees of state-involvement and differ between countries, depending on local characteristics. Switzerland is a suitable country to investigate the conditions and outcomes of diverse planning settings, as Switzerland is a federalist country with a subsidiary planning system that results in great diversity. There are some federal guidelines on planning, but each canton elaborates its own plans. Furthermore, communal activities are only partially determined by these cantonal plans and laws. Consequently, each commune has its own planning rules and laws. So, a great diversity between cities and urban areas can be expected in urban regeneration processes in Switzerland. To answer the question what types of urban regeneration projects can be understood as adaptive responses in the situation of structural change, this paper pursues two goals: The first goal is to typify urban regeneration projects in Switzerland. The second goal is to identify success factors for these projects. So the paper will deliver two products: A typology of urban regeneration projects in Switzerland and a presentation of success factors for these projects. In our analysis of urban regeneration projects, we focus on five dimensions: Project characteristics, actors, collaboration within the project, trajectories, and success factors. We gathered the data for the analysis with an online-questionnaire that was filled in by employees of public authorities from Swiss cities. The questionnaire covers the above-mentioned dimensions of urban regeneration and asks for urban regeneration projects in the particular cities. We expect that our results will show different types of urban regeneration projects. We will distinguish these types based on different reasons for the projects, trajectories of the projects, and the actors involved including their roles and actions. The findings will comprise a discussion about learning from path dependencies for increasing the adaptive capacity of cities and urban areas under structural change.

URBAN RESILIENCE TO CLIMATE CHANGE CHALLENGES IN AFRICA

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The increasingly significant challenges posed by global climate change are compounding the many difficulties facing governance structures in the large, rapidly growing cities of Africa, including high levels of poverty, strained infrastructure systems and lack adequate housing. Abnormally high temperatures can place severe strain on energy, water and health systems. Changing weather patterns can drive heavy rainfall and more severe and frequent storms can lead to coastal and riparian flooding that threaten housing and infrastructure. Rising sea levels, either through storm surges or long term rises, threaten coastal cities with inundation of inhabited areas and saltwater intrusion of groundwater aquifers. This paper will present the findings of a yearlong policy research project that seeks to answer three key questions: 1. How will the future consequences of climate change impact people living in African cities and what factors affect vulnerability or resilience to these impacts? 2. What factors explain the variation, across climate hazard types and across urban areas, in the development of initiatives to build resilience to the relevant impacts of climate change? 3. What factors determine whether the initiatives are adequately and sustainably implemented by the relevant actors and networks and how can implementation be improved? Using a comparative case study approach, field research was conducted on the governance systems in a set of African cities (Accra, Alexandria, Cape Town, Casablanca, Dakar, Dar es Salaam, Johannesburg, Kampala, Luanda and Maputo). These governance systems can be comprised of networks, both formal and informal, of local, regional and national government agencies, multilateral organizations, social humanitarian assistance organizations, and non-profit and community-based organizations. This study seeks to identify factors that encourage or impede policy development and implementation coordination across these networks. Alternatively, in the absence of institutional capacity within formal government structures, community responses to climate change challenges may develop organically.

EU FUNDS EFFECTIVENESS IN LONG-TIME PERSPECTIVE. LUBELSKIE VOIVODESHIP CASE STUDY

Dominika Wojtowicz, Kozminski University, POLAND

Tomasz Kupiec, Kozminski University, POLAND

EU funds effectiveness in long-time perspective. Lubelskie voivodeship case study Dominika Wojtowicz PhD (Chair of European Studies, Kozminski University) Tomasz Kupiec (PhD candidate, Kozminski University) The aim of the paper is to present the results of the research conducted within a series of studies prepared for the new regional development strategy (2013+) aimed at evaluating the use of EU funds and their effectiveness for regional development in the past period. As it is stressed by different authors the EU funds effectiveness depends on replacing a short-term demand effect with supply effects. Demand effects occur when an output potential of the economy grows only temporarily to satisfy an additional demand triggered by net EU transfers. Demand effects disappear when the EU funds are ceased to be expended. Supply effects occur when expended funds cause an increase in output capacity of the economy in a sustainable manner (through an increase in its productivity), i.e. in a way ensuring the sustainability of positive effects even after the EU funds are ceased to be expended [cf. Bradley et al. 2007, Analysis of the Impact of Cohesion Policy, Meunster and Dublin]. Supply effects result mostly from the enhancement of regional technical infrastructure, an improvement in the human capital quality and returns on investments in the R&D areas. The effective use of EU support and its translation into sustainable regional and local growth is connected also to the provision of complementarity between programmes and projects carried out. We can define complementarity as mutual complementation of deliberately undertaken activities, achieved through the directing of a support stream

towards their implementation in order to solve a given problem more effectively or attain an objective, at a local, regional, supranational or national level [Mechanisms for ensuring the complementarity of measures between the European Social Fund and the European Regional Development Fund), Ministry of Regional Development, p. 3.]. In this context we tried to estimate what is the effectiveness of EU funds absorbed in a specific region: Lubelskie voivodship, which is one of the poorest region in Poland. We put 5 main research questions: What is an absorption rate for the EU funds in the Voivodship (period 2004-2013) in quantitative terms (including a financial aspect)? What is/was the range (areas) covered by programmes and projects conducted and what was the spatial arrangement of realized projects? What is the influence of projects co-financed by the EU funds implemented in the region on development potential (evaluation of the influence exerted by the completed projects through the prism of local and regional development drivers and the occurrence of demand and supply effects)? How the complementarity degree of projects and programmes implemented can be estimated? The adopted methodology included: 1. desk research statistic data analyses (analysing data regarding programmes and projects carried out in the Lubelskie Voivodship within two financial perspectives 2004-2006 and 2007-2013: quantitative analysis + supported areas analysis; examining the dynamics of changes in economic indicators for the period 2005-2013; examining a possible correlation between the rate of funds used and selected indicators reflecting a situation of local economies through changes in the share of personal and corporate income tax) 2. Case studies (surveying local government units: interview with the authorities and farmers). 3. Meta evaluation (reviewing evaluation reports, previous expert opinions to answer a question regarding the complementarity degree of programmes and projects carried out) The main results show that the influence of EU fund on Lubelskie development trend in long-term perspective may occur not very significant. Basic indicators depicting the condition of the Voivodship's economy are similar to trends characteristic of the national economy, but an increase in employment in the enterprise sector is an exception. It may result from the occurrence of demand effects connected with commencing the implementation of infrastructural projects co-financed by the EU funds (which confirms a relatively high increase in employment in the construction work sector). On the local level: there is no relationship between the value of implemented projects and changes in basic indicators reflecting the situation of the local economy. No correlation between funds received and the dynamics of proceeds in the communes budgets due to corporate and personal income tax was proved. Direct payments and structural pensions are treated by communes as social funds being a financial strain resulting from an obligation to provide social service to the poorest residents, most of whom are owners of smallholdings. A vast majority of direct payments obtained by farmers is used for consumption purposes. Large-scale farms, the production of which is profitable, are an exception. Most often these are specialised agricultural companies supplying not only the local market but also regional, national and foreign one. In communes analysed the number of such farms per a commune did not exceed three.

Gateway I

TOWARDS REGIONAL KNOWLEDGE-BASED ECONOMIES: DID STRUCTURAL FUNDS MATTER? A COMPARATIVE CASE STUDY OF THE ENGLISH WEST MIDLANDS AND POLISH SILESIA

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With the approaching end of the current financial perspective (2007-2013) and the changes brought forward by the new programming period of the Cohesion Policy it is worth re-examining the effects which the policy's measures have had in the previous years, especially with regard to regional aspect. The paper is set to investigate the nature of the relationship between the knowledge-based economy, which sprung into significance after announcing the Lisbon Agenda in the year 2000, and the Structural Funds, which are the key tool of implementing the Cohesion Policy and are very often considered as one of the prime sources of financing regional KBE development. Despite a significant amount of studies regarding KBE both in the scholarly environment and official publications of the EU and the OECD, there is no commonly agreed definition of the Knowledge-Based Economy and how it could be measured. Although the Knowledge-Based Economy is a concept that has gained significant popularity since naming it as the aim for EU development, the initial idea of KBE was introduced much more recently than the last two decades. Concepts of knowledge/information economy/industry, information society etc. have confirmed the importance of defining the role which is played in contemporary societies by knowledge-rich products, leading to the

development of economies on regional and national level. Also, there is no common agreement as to the methods used for measuring the KBE, with individual scholars as well as various organisations proposing their own measurements and indicators for evaluating the Knowledge-Based Economy. Furthermore, most of the literature on European Funds concentrates on Structural Funds and does that in a particular way focusing on assessing the impact of Structural Funds on the development of the whole economy, be it its national or regional aspect - not on chosen topics within the economy. However, in most cases issues such as patterns of employment or changes in the proportion of population in education are taken into account, but only as macroeconomic factors, i.e. parts of assessing the changes in economy as a whole (e.g. Dall'erba, Le Gallo, 2008). What is more, despite there being studies focusing on comparing regions within the EU (e.g. Sinn, Westermann, 2000;), what has most often been taken into consideration was the general economic growth within given regions (e.g. Puigcerver-Peñalver, 2007; Mohl, Hagen, 2010). The regions of West Midlands (UK) and Silesia (Poland) share many features, notably being both being very coal- and manufacturing- dependant economies, which have to an extent struggled with the transition to the new, knowledge-based economical environment. One of the other reasons behind the choice is that it allows comparison between one of the old member states' region with one of the regions of a state relatively new to European funding. Taking into consideration all of the above mentioned points, this is an original study which reviews the impact of Structural Funds on a very particular issue: the development of the regional Knowledge-Based Economy. The uniqueness of the study stems firstly from devising the original methodology which allows quantitative assessment of the Knowledge-Based Economy on a regional level; secondly the study provides a comprehensive overview of the KBE-Structural Funds relation paying special attention to two EU regions which have not been compared before in the literature and does it in a particular time-scale: the years 1999 to 2009. This is methodologically addressed by firstly establishing a new way of calculating the General Indexes of the Knowledge-Based Economy of the two regions and, secondly, applying a number of statistical methods to measure the influence of the Funds on the changes in the regional KBE over time. The paper is ultimately designed to establish whether the allocations of the Structural Funds provided adequate measures for the development of Knowledge-Based Economies in Silesia and the West Midlands – in other words: did the Funds at all matter for the development of the regional Knowledge-Based Economies in the West Midlands and Silesia.

Gateway K

ECO-INDUSTRIAL DEVELOPMENT THROUGH REGION-WIDE INTERACTION IN INDUSTRIAL DISTRICT: THE YEOSU PETROCHEMICAL SITE, SOUTH KOREA

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Environmental challenges like pollution, resource scarcity and energy depletion are one of the pending issues that the modern economy has faced. Due to the special nature of environmental concerns as an external diseconomy, this is especially critical in industrial districts where industrial activities are intensively carried out within a geographic boundary. However, the industrial district literature has paid limited attention to the theme of how clustered firms mitigate the unbalance between private benefits and social costs generated from environmental problems. This paper seeks to investigate the interaction between clustered firms and other stakeholders in environmental upgrading of agglomeration economies. It basically consists of two parts; (1) the discussion to develop a theoretical framework and (2) the analysis on empirical evidence from an environment-friendly industrial policy, the eco-industrial park scheme, in the Yeosu petrochemical site, South Korea. The theoretical discussion is focused on interlinking between the industrial district literature and the industrial ecology literature. Eco-industrial park is a spatial platform to facilitate by-product exchange, waste recycling and energy cascading between neighbouring firms. This new environmental management approach is one of the practical models suggested by the industrial ecology framework which argues that existing industrial systems can and should be transformed from linear flows to a cyclic closed loop system like natural ecosystem. Although industrial ecology was originated from the natural science and engineering discipline, the characteristics of its practical models as a spatial network between neighbouring firms has resulted in the concept of institutional capacity. It composes of four elements; role of champion, mental distance, institutional setting and planning. These elements are significantly overlapped with some conceptual frameworks of the industrial district literature and thus can be interpreted as a theoretical lens to understand environmental upgrading of an industrial district. Through interlinking two theoretical bodies, this paper

analyses the eco-industrial park programme in the Yeosu industrial district. Yeosu is a petrochemical complex formed surrounding one petroleum refinery and three naphtha cracking centres. This supplier-driven large firm cluster earned notoriety with air pollution and industrial accidents during the 1980s and 1990s. Yeosu was designated as one of the eco-industrial parks by the central government in 2006 and is currently evaluated as an industrial site where the government policy has been successfully settled down. Thus this paper aims to investigate how the polluted industrial area has been redirected to eco-industrial development. The empirical evidence collected from the Yeosu industrial district uncovers that a certain degree of institutional capacity was already developed through the continuous interaction to overcome environmental concerns among the local actors including clustered firms. First, a local business association of large firms has copied with their common environmental issues as a leading agent. Second, the cooperative relation has been encouraged via multi-tier horizontal ties among clustered firms. Third, regional governance has been fostered by the local government, NGOs and lead firms. Fourth, a quasi-public institution has provided a wide range of business supporting services within the industrial district. Consequently, all these pre-existing conditions – the production network governance, the social ties, the political governance and the government intervention – function as the four elements of institutional capacity suggested by the industrial ecology literature for eco-industrial development in the Yeosu petrochemical site.

Gateway QII

STATE ENTREPRENEURIALISM AND BIOTECH DEVELOPMENT IN SHANGHAI

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Despite the extensive literature on the spatial clustering of innovation, very few questions have been asked about the role of the city in the process of city innovation system, especially in the context of emerging markets like China. With particular reference to biotechnology, much attention has been paid to associated or relational economies and thus the concept of the regional innovation system (RIS). While the notion of 'region' in the RIS may help to highlight the evolutionary process through which various components of the RIS are spontaneously associated through institutional innovation, in China the entrepreneurial city helps to assemble innovation components and thus territorialize biotech development. This paper aims to explore how the task of constructing an innovation system has been necessarily 'institutionalized' in Chinese state entrepreneurialism. With growing global R&D and national policies to promote the biotech sector, overcoming former institutional rigidity, the Shanghai municipal government strives to capture mobile resources through various entrepreneurial endeavours, including a policy focusing on Zhangjiang High-tech Park (ZJHP), the establishment of development corporations, land-driven development, creating a skilled workforce and promoting talent concentration, embedding 'big pharmas' in the innovation network, and branding the place and creating multiple parks. We argue that the role of the local state is critical in the territorialisation process of biotech development.

Gateway I

METHODOLOGY FOR ASSESSMENT OF ECONOMIC PERFORMANCE OF MUNICIPALITIES IN BROADER CONTEXT

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The aim of this paper is to present the assessment methodology of economic development of territorial units on the sub-regional level. In the literature, there are well described different approaches of evaluation of the economic performance of administrative regions, whether at a national or municipal level. In relation to the NUTS classification, these range from NUTS levels 0 to LAU 2. For implementation of practical economic and regional policy on meso level aimed at reducing regional disparities, however, it appears necessary to design effective approaches to the evaluation of functional regions. The issue of evaluation of functional regions appears to be crucial especially in countries with highly diversified size structure of municipalities. Here,

municipalities with vastly different number of inhabitants coexist side by side and have different functions in a wider territory. Monitoring disparities at the municipal level gives distorted information, especially in case of small municipalities. Therefore, within regional development, it is necessary to focus on the linkages of wider territory than one municipality, but narrower than NUTS 3 level. These issues are closely related to the availability of statistical data for regional economic analysis which follows the administrative level. Based on the research, the team, therefore, delimited the sub-regional level that is based on statistical data available for municipalities, but also allows evaluation of the economic performance of territorial units at a lower level than NUTS 3 regions. Sub-regional structure was determined on the basis of a catchment area to a municipality with basic amenities (school, post office, doctor). Such formation of sub-regions respects the relative closeness of the relationship between the place of residence of population and the given basic services. The starting point for delimiting sub-regions was the analysis of commuting. Based on this analysis, there were determined nodal regions or local centers. Nodal regions that meet the condition of the minimum population size (1,000-1,300) and the existence of amenities can be seen as the centres of sub-regional significance. In the next stage of the research, there was investigated the presence of major employers at least at the level of medium-sized entities, the existence of high schools and universities in the identified sub-regions. Based on these criteria, there was proposed a typology of centers of delimited regions: a local center, a center of sub-regional significance, a center of micro-regional importance, a center of regional importance and a major regional center; yet, it is always true that a higher level of the center must meet all the criteria of a lower level. The centres of metropolitan significance with a number of inhabitants exceeding 1 million then represent a special category (in the Czech Republic three regions qualify for this condition). The importance of the micro-regional center is characterized by the presence of major employers (over 100 employees). This means that within this territorial unit, commuting to work is a relatively closed matter. The center of regional significance also fulfills the function of middle level education. Therefore, people commute to secondary education institutions. Very significant regional center not only meets departmental, special and transport function of the city, but also the function of promoting innovation and competitiveness, which in practice is met in particular by universities (with respect to highly diversified structure of higher education in the Czech Republic, there were eliminated only institutions providing undergraduate degree education without an extensive research activity). At the same time, based on the analysis, there was set a minimum number of inhabitants of a significant regional center at 90 thousand. Territorial units defined in such a way respect the functional relationships between the center of the region (municipality) and its hinterland. The research results will be applied in particular in socio-economic regional analyses, in structural studies of labor markets, when examining regional disparities and in the search for measures to mitigate them. In its own assessment of the economic performance of the sub-regional units, multivariate statistical methods (factor and cluster analysis) can be utilized. They help to look for factors determining the socio-economic status of territories. The analysis is carried out in several stages: factor analysis of socio-economic development of the regions of the same level (as defined by typology), within the state or within the administrative region (typically NUTS 3 level). In the case of evaluating the sub-regions, it is necessary to take into account the spatial overlap between the administrative regions, since functional regions rarely precisely replicate the administrative division of the territory.

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