

**THE GLOBAL FORUM FOR CITY  
AND REGIONAL RESEARCH,  
DEVELOPMENT AND POLICY**

15<sup>th</sup> – 18<sup>th</sup> June 2014  
Dokuz Eylül University  
Faculty of Business  
Izmir, Turkey

#RSA Izmir2014



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## DIVERSE REGIONS: BUILDING RESILIENT COMMUNITIES AND TERRITORIES



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Regional Studies Association

# **Diverse Regions: Building Resilient Communities and Territories**

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Annual European Conference

Sunday 15<sup>th</sup> - Wednesday 18<sup>th</sup> June 2014

Dokuz Eylül University, Faculty of Business, Izmir,  
Turkey

This volume has been compiled by  
Elizabeth Mitchell

ISBN 978-1-897721-47-6



Welcome

We are delighted to welcome you to the Regional Studies Association European Conference 2014, '**Diverse Regions: Building Resilient Communities and Territories**' and are very pleased that such a diverse and prestigious audience of academics, policy makers and practitioners are gathered here in the beautiful city of Izmir.

Organised in association with the Faculty of Business at Dokuz Eylül University, this event will comprise a vibrant mix of academic sessions and networking opportunities including plenary sessions, workshops, pre-conference excursions, a welcome reception and a gala dinner.

The conference will focus on understanding regions and regional processes at a time of major economic and social change. It recognises that the processes of recovery from recession have been slow, and the outcomes remain difficult to predict. Macro change has been accompanied by highly differentiated results across and within regions, as demographic, economic, governmental and cultural processes interact to create greater complexity. In addressing such issues, this major conference seeks to promote dialogue across disciplinary boundaries. We are therefore very pleased to welcome presenters and delegates from over twenty countries. The conference features papers from a wide variety of disciplines dealing with a range of ideas, cases, theoretical and methodological insights relating to sustainable regional and urban development. 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 will be turning 50 in 2015 but innovations and constant change remains very much on our agenda. Two innovations have recently been launched– ***Territory, Politics, Governance***. This journal provides a platform for articles developing theory and research in territorial politics and the governance of space. Issues of the journal will be available at the conference. In addition, the RSA has developed a new interdisciplinary open access journal ***Regional Studies, Regional Science***. The journal welcomes submissions on regional issues in economics, geography, planning, political science, and related fields. With streamlined peer-review the journal accommodates research articles, shorter policy briefings and a new 'regional graphics' section, reflecting the growing importance of data visualisation in our field. Adhering to our longstanding publishing hallmarks of quality, methodological rigour and clear communication, we offer potential authors the opportunity to reach as wide an audience as possible through this open access publishing route.

Furthermore, 2014 will see the Regional Studies Association Winter Conference ***Sustainable Recovery? Rebalancing, Growth and the Space Economy***, held London, UK (27<sup>th</sup> – 28<sup>th</sup> November, 2014). Also in 2014, the RSA will again be a key partner in the European Commission and Committee of the Regions' European Week of Regions and Cities (Open Days) and deliver University Sessions and a high profile Master Class. Looking further ahead to 2015, the RSA has its European conference planned in Piacenza, Italy (24<sup>th</sup> - 27<sup>th</sup> May, 2015) entitled ***Global Growth Agendas: Regions, Institutions and Sustainability***. We hope that this event will encourage delegates from all backgrounds and disciplines to meet and exchange ideas, experiences and research agendas in a friendly and receptive atmosphere.

In closing this warm welcome to you we must thank our local organising committee for their hard work and invaluable support; Sedef Akgüngör, Mehmet Beyzatlar, Neşe Kumral, Yeşim Keştepelı and Yaprak Gülcan. We also thank Müge Duman from Teamcon Congress Services for the support given in organising the local partners. In addition, we thank the sponsors of the Welcome Reception, the Izmir Commodity Exchange and our plenary speakers and session chairs. Finally we thank the RSA office team members for their ongoing hard work and professionalism.

We wish you an informative, productive and above all, enjoyable conference and look forward to meeting you.

With all best wishes



Andrew Beer



Sally Hardy



### **Dokuz Eylül University Faculty of Business**

The Faculty of Business at Dokuz Eylül University was established in 1992 to meet the needs of the Aegean and surrounding regions as an internationally recognized higher institution that provided a business education in English.

The first foundations were laid within the Faculty of Economics and Administrative Sciences with the creation of the English taught Business Department in 1988. Later in 1992, with the inclusion of departments Economics and International Relations, it was the first faculty to provide business education in English other than the Business Faculties in Ankara and İstanbul. After the Faculty of Arts and Sciences and Tourism Management Department (1994), joined the International Business and Trade Department in 2008, the Faculty of Business started providing education in English in five fields.

The Faculty of Business that was initially housed within the DEU Dokuz Çeşmeler campus was located to the DEU Tınaztepe campus in the year 2000 and from then on has continued its service to its students.

The Faculty of Business Administration at Dokuz Eylül University provides a curriculum that is offered fully in English to a total of 1,064 students. The Faculty is divided between five departments. These departments are Business Administration, Economics, Tourism Management, International Relations and International Business and Trade. The Faculty currently has a total of 83 highly qualified academic staff that consists of 9 Professors, 9 Associate Professors, 28 Assistant Professors, 6 Lecturer, 1 Academic Specialist and 30 Research Assistants.

The education priorities at the Faculty of Business can be summarized as the personalization of education, globalization and modernization of education standards.

## City of Izmir, Turkey



There has been a settlement in İzmir, formally Smyrna, since 3000 BC. The Trojans were the 1st inhabitants and according to excavations, the city was founded in an area known today as Tepekule in the Bayrakli district, which lies to the east of the Gulf of İzmir. İzmir is also credited with being the birthplace of the legendary poet Homer, who is believed to have lived there in the 8th century BC.

The city went through a few invasions, destructions and reconstructions until Alexandra the Great began the construction of a castle on the top of Mt. Pagos (Kadifekale) somewhere around 330 BC.

After Alexandra, around 290 BC, the Pergamons took over the city, which by then had expanded outside the castle walls and centred itself in the harbour region, before they handed over to the Romans around the 1st century BC.

Despite burning the odd Bishop (Bishop Polycarpe 166 AD) suffering a major earthquake (178 AD) and putting off a siege by Attila the Hun (440 AD) The Romans managed to hold onto the city which was reputed to be "The most beautiful city in Asia" and also became the Capital city for the Eastern Roman Empire (Byzantine) until the Selcuks arrived in 1076 AD.

By this time İzmir had become quite cosmopolitan and was a commercially important port, and İzmir went through a turbulent period. In 1098 the Byzantines came back, 1320 the Selcuks returned, in 1334 the Crusaders took their turn, 1402 brought the Turks (who are credited with naming the city İzmir) then in 1426 came the Ottomans who carried on all the way until after the 2nd World War in 1919 when the Greek invasion took place. On September the 9th 1922, İzmir was recovered during the National War of Independence and became one of the cornerstones of the current Turkish Republic.

Izmir is the third most populous city of Turkey and the country's largest port after Istanbul. It is located in the Gulf of Izmir, by the Aegean Sea. It is the capital of Izmir Province. The city of Izmir is composed of 9 metropolitan districts. These are Balçova, Bornova, Buca, Çiğli, Gaziemir, Güzelbahçe, Karsiyaka, Konak, and Narlidere. Each district, and generally the neighbourhoods within it, possesses distinct features and a particular temperament. The population of this urban zone is around 3.5 million.

GATEWAY	PAGE NUMBER
PLENARY PAPERS	
TOWARDS AN EVOLUTIONARY PERSPECTIVE ON REGIONAL RESILIENCE <i>Ron Boschma</i>	1
A QUANTUM ADVANCE FOR REGIONAL INNOVATION: TRANSVERSAL RIS3 STRATEGISING <i>Philip Cooke</i>	1
PATH DEPENDENCY AND DEVELOPMENT OF TOURISM REGIONS. CHALLENGES OF CHANGE IN MATURE EUROPEAN DESTINATIONS <i>Henrik Halkier</i>	2
THE REAL-TIME CITY? BIG DATA AND SMART URBANISM <i>Rob Kitchin</i>	2
A. Borders and Cross Border Cooperation	
CROSS BORDER CITY-REGIONS BEYOND NATION-STATES: BASQUE & ORESUND COMPARATIVE CASES <i>Igor Calzada</i> <i>Fredrik Björk</i>	22
CROSS-BORDER DELIVERY OF PUBLIC SERVICES: HOW USEFUL ARE EGTCs? <i>Nico Groenendijk</i> <i>Annika Jaansoo</i>	54
GENDER AND CROSS-BORDER COMMUTING IN A SWEDISH-NORWEGIAN CONTEXT: STRATEGIES, OBSTACLES AND POSSIBILITIES <i>Cecilia Möller</i> <i>Eva Olsson</i>	97
WHICH FACTORS DETERMINE CROSS-BORDER REAL ESTATE CAPITAL FLOWS? A GRAVITY MODELLING APPROACH <i>Anupam Nanda</i> <i>Patrick McAllister</i>	101
ECONOMIC DEVELOPMENT ON THE ANGLO-SCOTTISH BORDER: PROSPECTS FOR CROSS-BORDER COLLABORATION <i>Frank Peck</i> <i>Gail Mulvey</i> <i>Keith Jackson</i>	106
CROSS-BORDER COOPERATION OF CITY REGIONS IN THE BALTIC SEA REGION – BETWEEN MULTI-LEVEL GOVERNANCE AND REGIONAL GOVERNMENT <i>Magdalena Schoenweitz</i>	121
INNER AND OUTER BORDER REGIONS IN THE EUROPEAN UNION: DIFFERENT DEVELOPMENT PROCESSES – CASE STUDY OF TWO POLISH SUBREGIONS <i>Maciej Smetkowski</i> <i>Marek Kozak</i>	127

## B. Clusters and Smart Specialisation

REGIONAL RESEARCH SYSTEM AND EUROPEAN KNOWLEDGE PIPELINES IN THE EU CAPITAL CITY: ANALYSIS OF BRUSSELS' PARTICIPATION AND PARTNERSHIPS IN THE FRAMEWORK PROGRAMMES FROM 1999 TO 2010 <i>Nicola Francesco Dotti</i> <i>Bas van Heur</i> <i>Andre Spithoven</i>	39
THE ROLE OF CLUSTERS IN SMART SPECIALISATION STRATEGY: A SOCIAL NETWORK ANALYSIS <i>Sana Elouaer-Mrizak</i> <i>Fabienne Picard</i>	42
THE RESILIENCE OF PHOTONIC CLUSTERS IN EUROPE <i>Gaschet Frédéric</i> <i>Vanessa Bouaroudj</i>	47
DYNAMICS OF CLUSTER DEVELOPMENT: LESSONS FROM ENERGY VALLEY CLUSTER <i>Anu Manickam</i> <i>K. van Berkel</i>	90
THE CONTRIBUTION OF SOCIAL INNOVATION TO SMART SPECIALISATION STRATEGIES <i>Pedro Marques</i> <i>Kevin Morgan</i> <i>Ranald Richardson</i>	91
IDENTIFICATION OF AREAS OF SMART SPECIALIZATION IN A DIVERSIFIED REGION. CASE STUDY ON WIELKOPOLSKA, POLAND <i>Monika Matusiak</i>	92
UNIVERSITIES AND SMART SPECIALISATION: INSIGHTS FROM TWO SOUTHERN EUROPEAN REGIONS <i>Carlos Rodrigues</i>	115
THE CLUSTERING POTENTIAL IN TRANSYLVANIA BASED ON THE CONCENTRATION OF ECONOMIC ACTIVITIES AND REGIONAL SPECIALIZATION <i>Gergely Torok</i>	134

## C. Community Economic Development

RECYCLING COOPERATIVE NETWORKS - BUILDING RESILIENT COMMUNITIES <i>Jutta Gutberlet</i>	55
COME BACK TO THE LAND: GROWING THE ALTERNATIVE FOOD NETWORKS BY NEW FARMERS IN RURAL TAIWAN. <i>Zihling Huang</i>	63
MEASURING ECONOMIC RESILIENCE: THE SLOVENIAN CASE <i>Lucija Lapuh</i>	79
CAN THE COALITION GOVERNMENT'S SUB-REGIONAL STRUCTURES IN ENGLAND DELIVER ON ECONOMIC DEVELOPMENT? <i>David Smith</i> <i>Enid Wistrich</i>	127



COMMUNITY-DRIVEN DEVELOPMENT VERSUS COMMUNITY-LED LOCAL DEVELOPMENT	142
<i>Jean-Pierre Vercruysse</i>	
<i>Elisa Roller</i>	
<i>Dan Owen</i>	

#### D. Culture, Creativity and ICT

THE IMPACT OF THE ECONOMIC CRISIS ON THE CULTURAL AND CREATIVE SECTORS IN EUROPEAN COUNTRIES; A STATISTICAL ANALYSIS	8
<i>Vasilis Avdikos</i>	
<i>Athanasips Kalogeresis</i>	
SUBCONTRACTING RELATIONSHIPS IN CREATIVE CLUSTERS: EVIDENCE FROM ROTTERDAM-BASED FIRMS	17
<i>Caterina Branzanti</i>	
PLACE IDENTITY, MUSIC TOURISM AND HERITAGE: THE CASE OF THE CULTURAL DISTRICT OF THE PROVINCE OF CREMONA, ITALY	38
<i>Ilaria Dioli</i>	
<i>Paolo Rizzi</i>	
“WHO RULES THE CITY?” ART, ECONOMY AND SCALE IN POST-INDUSTRIAL NUREMBERG	61
<i>Sebastian Hillebrand</i>	
<i>Nicolai Scherle</i>	
LIVING ENVIRONMENT OF CREATIVE CLASS – EVIDENCES FROM SLOVENIA	76
<i>Jani Kozina</i>	
TOWARDS ANALYZING GOVERNANCE OF CULTURE: THE DYNAMICS OF CULTURAL GOVERNANCE IN TURKEY	118
<i>R. Gokce Sanul</i>	
“WHO RULES THE CITY?” ART, ECONOMY AND SCALE IN POST-INDUSTRIAL NUREMBERG	119
<i>Nicolai Scherle</i>	
<i>Sebastian Hillebrand</i>	
CONSTRUCTING MEDITERRANEAN CREATIVITY CULTURAL AND CREATIVE INDUSTRIES IN TURKEY, ITALY AND SPAIN	122
<i>i. Erdem Seçilmiş</i>	
<i>Luciana Lazzeretti</i>	
<i>Francesco Capone</i>	
LINKING COMMUNITIES AND PLACES – LACEMAKING FESTIVALS AND THEIR ROLE FOR PEOPLE, HERITAGE AND REGIONS	129
<i>Anna Sznajder</i>	
<i>Katarzyna Kosmala</i>	

#### E. Developing Rural and Peripheral Regions

ALTERNATIVE PERSPECTIVES ON RURAL DEVELOPMENT AND GROWTH	17
<i>Lotta Braunerhielm</i>	
<i>Eva Olsson</i>	
<i>Lars Aronsson</i>	

RURAL DEVELOPMENT POLICIES AND SUB-NATIONAL GOVERNANCE: THE CASE OF THE LEADER AXIS IN PELOPONNESUS GREECE <i>Anastassios Chardas</i>	27
RURAL TRANSFORMATIONS: HUMAN CAPITAL, LABOUR MARKET AND MIGRATION PATTERNS IN POLAND <i>Paweł Chmieleński</i> <i>Agnieszka Wrzochalska</i>	28
ECONOMIC RESILIENCE IN REMOTE PERIPHERAL AREAS: THE CASE OF CAPE CLEAR ISLAND OFF THE SOUTH-WEST COAST OF IRELAND. <i>Patrick Enright</i> <i>Mary O'Shaughnessy</i>	43
THE MISSING KEY TO RURAL DEVELOPMENT: THE INTERSECTION OF PHILANTHROPY AND REGIONAL DEVELOPMENT IN RURAL CANADA <i>Ryan Gibson</i>	52
REMAPPING AND INSTITUTIONAL THICKENING IN FOREST PERIPHERIES: REFLECTIONS FROM THE GREAT BEAR RAINFOREST. <i>Roger Hayter</i> <i>Alex Clapp</i>	57
INEQUALITY DEVELOPMENT : THE REDEVELOPMENT OF URBAN LAND IN TAICHUNG CITY <i>Zih-Lun Huang</i>	63
RURAL DEPOPULATION: THE PLANNING IMPLICATIONS FOR THE DEVELOPMENT OF URBAN LAGOS <i>Oladayo Ibrahim</i>	65
NEW GROWTH POLES - PERI-URBAN AREAS SURROUNDING SECOND-TIER CITIES. THE CASE OF POZNAN. <i>Piotr Idczak</i> <i>Karol Mrozik</i>	66
DIVERSITIES OF REGIONAL RESILIENCE. CASE STUDIES FROM RESOURCE PERIPHERY IN EASTERN FINLAND <i>Juha Kotilainen</i> <i>Eero Vatanen</i>	75
YOUTH MOBILITIES AND THE VOCATIONAL EDUCATION SYSTEM IN PERIPHERAL DENMARK <i>Karin Larsen</i>	79
AS DEMOGRAPHY SCARCITY IN ALENTEJO REGION CONSTRAINS 20 YEARS OF COHESION POLICY EFFECTS IN LOW DENSITY ÁREAS - THE CASE STUDY OF ALQUEVA MULTIPURPOSE PROJECT AS ANCHOR OF RURAL DEVELOPMENT <i>Ana Louro</i> <i>Eduarda Marques da Costa</i> <i>Nuno Marques da Costa</i>	85
EXPLORING PROCESSES OF REGION-SPECIFIC RURAL DEVELOPMENT IN FLANDERS. <i>Lies Messely</i> <i>Elke Rogge</i> <i>Joost Dessen</i>	93

DEMOGRAPHIC CHANGE: CHALLENGES AND ACTIONS IN RURAL DEVELOPMENT POLICY	107
<i>Kim Pollerman</i>	
<i>Petra Raue</i>	
<i>Gitta Schnaut</i>	

CENTRALISATION AND PERIPHERALIZATION: THE FUTURE OF PERIPHERAL REGIONS IN ROMANIA	134
<i>Ibolya Torok</i>	

INTERSECTING (CONFLICTING) INTERESTS AND VALUES ON A REGIONAL ARENA: THE COLLABORATIVE DEVELOPMENT MODEL OF REGIONAL PARKS IN NORWAY	141
<i>Mikaela Vasstrøm</i>	

## F. Entrepreneurship, Enterprise and Business Climate

OFFSHORE OUTSOURCING AND BACKSHORING PATTERNS IN ITALIAN MANUFACTURING SMES: THE ROLE OF LEARNING AND LOCAL SPILLOVERS	23
<i>Jacopo Canello</i>	
<i>Paolo Pavone</i>	

DOES LOCAL ECONOMIC PERFORMANCE MATTER FOR THE CHOICE OF HOW TO DELIVER A NATIONAL BUSINESS SUPPORT PROGRAMME?	40
<i>Cord-Christian Drews</i>	

ATTRACTING LIFESTYLE ENTREPRENEURS TO AMENITY-RICH RURAL COMMUNITIES	77
<i>Sreya Kumar</i>	

REVERSAL OF FORTUNE OPPORTUNITY COST AND ENDOWMENT EFFECTS ALONG STAGES OF ENTREPRENEURSHIP	94
<i>Tomasz Mickiewicz</i>	
<i>Mark Hart</i>	
<i>Nick Theodorakopoulos</i>	
<i>Frederick Nyakudya</i>	

## G. Geographies of Global Finance

UNVEILING FINANCIALIZED CIRCUITS OF VALUE: A DISSECTION OF THE WORLD CITY ARCHIPELAGO	12
<i>David Bassens</i>	
<i>Michiel van Meeteren</i>	

FINANCIAL CRISIS, FINANCIAL POLICY IN THE REGIONS AND THE POLITICS OF TERRITORY IN SPAIN	108
<i>Paula Portas</i>	

## H. Industrial Branching and Technological Cohesion

THE ROLE OF INSTITUTIONS AND STATE OWNED ENTERPRISES ON EMERGENCE OF INDUSTRIAL CLUSTERS: THE CASE OF ABU DHABI	5
<i>Hamed Al-Hashemi</i>	

## I. Innovation and Knowledge Economies

TECHNOLOGY SPILLOVERS AND INTERNATIONAL BORDERS	4
<i>Nisar Ahmad</i>	
<i>Amjad Naveed</i>	

INTER-REGIONAL SCIENTIFIC COLLABORATION IN CHINA <i>David Emanuel Andersson</i> <i>Soren Find</i> <i>Saileshingh Gunessee</i> <i>Christian Wichmann Matthiessen</i>	5
THE TECHNOLOGICAL RESILIENCE OF U.S. CITIES <i>Pierre-Alexandre Balland</i> <i>David Rigby</i> <i>Ron Boschma</i>	11
THE GMR-TURKEY MODEL AND ITS APPLICATION FOR THE IMPACT ASSESSMENT OF ALTERNATIVE REGIONAL POLICY OPTIONS <i>Mete Basar Baypinar</i> <i>Attila Varga</i> <i>Peter Jarosi</i> <i>Tamas Sebestyen</i>	13
GAME ON! THE NEMOG PROJECT AND ITS SIGNIFICANCE FOR THE DIGITAL GAME INDUSTRY IN THE UK <i>Ignazio Cabras</i>	20
PROXIMITY, KNOWLEDGE INTERACTION AND POLICY INTERVENTION AS PROCESS: A CASE STUDY OF THE CHANGING AUTOMOTIVE CRASH-SAFETY SECTOR IN REGION VÄSTRA GÖTALAND, SWEDEN <i>Anders Larsson</i>	81
MEASURING AND ESTIMATING THE IMPACT OF INNOVATIVE HUMAN CAPITAL ON FIRM PERFORMANCE: IS THERE A ROLE FOR PUBLIC POLICY? <i>Helena Lenihan</i> <i>Helen McGuirk</i>	82
INNOVATION AND ORGANIZED INDUSTRIAL AREAS IN TURKEY: TO WHAT EXTENT DOES LOCATION MATTER? <i>Kari Makelainen</i>	88
SCIENTIFIC POTENTIAL AND RESEARCH COLLABORATION OF A SMALL COUNTRY – THE CASE OF SERBIA <i>Ranka Medenica</i> <i>Agnieszka Olechnicka</i> <i>Adam Ploszaj</i> <i>Milica Kostreš</i>	92
COLLABORATION AND SCIENTIFIC PERFORMANCE OF REGIONS IN EUROPE <i>Adam Ploszaj</i> <i>Agnieszka Olechnicka</i>	107
BETWEEN PATH DEPENDENCY AND PATH CREATION: A STUDY OF UNIVERSITIES' ROLES IN REGIONAL CREATIVE INDUSTRIES <i>Elisabet Sørffjorddal Hauge</i> <i>Romulo Pinheiro</i> <i>Arne Isaksen</i>	128

INNOVATIVE REGIONS IN CREATIVE AND CLUSTERED SPACE <i>Krzysztof Szólek</i> <i>Małgorzata Markowska</i>	130
RECONSIDERING THE DRIVERS OF TERRITORIAL INNOVATION: NEW EVIDENCE ON THE SPATIAL KNOWLEDGE PRODUCTION FUNCTION IN THE EU REGIONS <i>Francesco Timpano</i> <i>Alessia Dragoni</i> <i>Giovanni Guastella</i>	133
INSTITUTES OF HIGHER EDUCATION IN AN ENVIRONMENT OF INSTITUTIONAL FRAGMENTATION: THE CASE OF THE BRUSSELS-CAPITAL REGION <i>Bas Van Heur</i> <i>Wouter Kesbeke</i>	138
DON'T THROW THE BABY OUT WITH THE BATH: NETWORK FAILURES AND POLICY CHALLENGES FOR CLUSTER LONG RUN DYNAMICS <i>Jerome Vicente</i>	143
<b>J. Labour Markets and Migration</b>	
INTERNATIONAL STUDENT MIGRATION FOR DEVELOPMENT: AN INVESTIGATION OF A NORWEGIAN SCHOLARSHIP INITIATIVE CONCEPTUALIZED AS DEVELOPMENT AID <i>Scott Basford</i>	11
URBAN ESCALATORS AND INTER-REGIONAL ELEVATORS: THE DIFFERENCE THAT LOCATION, MOBILITY AND SECTORAL SPECIALISATION MAKE TO OCCUPATIONAL PROGRESSION <i>Ian Gordon</i> <i>Tony Champion</i> <i>Mike Coombes</i>	52
THE ROLE OF 'FRAMES OF REFERENCE' IN DETERMINING THE COMPOSITION OF THE LABOUR FORCE IN LOW-SKILLED SERVICE SECTORS: THE PLACE OF MIGRANT WORKERS VIS-À-VIS LOCAL WORKERS <i>Anne E Green</i> <i>Gaby Atfield</i>	53
INTENTIONS TO MOVE AND PLACE ATTACHMENT OF LOWER EDUCATED PEOPLE IN A DEPOPULATING RURAL REGION <i>Tialda Haartsen</i> <i>Erzsi de Haan</i>	56
TYPOLOGY AND DETERMINANTS OF STUDENT AND GRADUATE INTERREGIONAL MOBILITY. EVIDENCE FROM POLAND. <i>Mikolaj Herbst</i>	59
POLYCENTRISM, FUNCTIONAL URBAN REGIONS AND LABOUR MOBILITY IN PORTUGAL – CONTRADICTIONS BETWEEN SUSTAINABLE DEVELOPMENT OBJECTIVES AND UNSUSTAINABLE PATTERNS OF MOBILITY <i>Eduarda Marques Da Costa</i> <i>Nuno Marques da Costa</i>	91



UNEMPLOYMENT RISK AND LABOUR MARKET ADJUSTMENT IN THE GREEK CRISIS: AN UNEMPLOYMENT DECOMPOSITION APPROACH <i>Vassilis Monastiriotis</i> <i>Angelo Martelli</i>	98
A ONE WAY TICKET TO THE CITY, PLEASE!' ON YOUNG WOMEN LEAVING THE SWEDISH PERIPHERAL REGION VÄSTERNORRLAND <i>Daniel Rauhut</i> <i>Helene Littke</i>	111
THE LONG-RUN DISTRIBUTION OF HUMAN CAPITAL ENDOWMENTS ACROSS REGIONS: EVIDENCE FROM AUSTRIA <i>Sascha Sardadvar</i> <i>Christian Reiner</i>	119
A NEW APPROACH FOR DELINEATING AND VALIDATING LABOUR MARKET REGIONS <i>Barbara Schwengler</i> <i>Dr. Per Kropp</i>	121
CHANGING PATTERNS OF WORK AND WELFARE IN BRITISH CITIES <i>Paul Sissons</i> <i>Neil Lee</i>	126
CREATING A RESILIENT LABOR MARKET: INTERNATIONAL TALENT RECRUITMENT TO NORWAY'S OIL AND GAS INDUSTRY <i>Micheline van Riemsdijk</i>	139
YOUTH UNEMPLOYMENT POLICY FORMATION: BETWEEN THE INTERNATIONAL POLICY RHETORIC AND THE LOCAL PRACTICE REALITY <i>Peter Wells</i> <i>Anne Green</i> <i>Ryan Powell</i>	147

## K. Regional Development Policy

REGIONALIZATION IN ROMANIA A GAME BETWEEN CENTRALISM AND REGIONALISM <i>Hunor Bajtalan</i>	10
RESILIENT COMMUNITIES OR ROBUST REGIONS? DISCOURSES AND PRACTICES IN NORWEGIAN REGIONAL POLICIES <i>Oddbjørn Bukve</i>	19
IS CHINA THE ANSWER TO EUROPE'S UNDER-PERFORMING URBAN REGIONS? RESULTS FROM A UK STUDY INTO INSTITUTIONAL STRATEGIES AND SUPPORT FOR LOCAL BUSINESSES WISHING TO EXPORT TO CHINA <i>Matthew Cocks</i>	28
'DOING MORE WITH LESS' OR 'DOING LESS WITH LESS'? ASSESSING EU COHESION POLICY'S FINANCIAL INSTRUMENTS <i>Marcin Dabrowski</i>	32
DECENTRALIZATION AND PUBLIC PARTICIPATION: INSTITUTIONAL SETBACKS IN PUTTING IDEALS INTO ACTION IN ISTANBUL'S "RESILIENCE" PLANNING <i>Basak Demires Ozkul</i> <i>Deniz Ay</i>	37

POLICY-LEARNING FOR ECONOMIC TRANSFORMATION IN CITIES: THE CASE OF BILBAO <i>Miren Estensoro</i> <i>Edurne Magro</i>	45
TERRITORIAL CAPITAL AS THE PRE-REQUISITE FOR THE EFFECTIVENESS OF EUROPEAN COHESION POLICY INVESTMENTS: AN ASSESSMENT FOR EASTERN REGIONS <i>Ugo Fratesi</i> <i>Giovanni Perucca</i>	47
PACIFIERS, “PIÑATAS”, AND THE POLITICS OF REGIONAL DEVELOPMENT INCENTIVES: INSIGHTS FROM NORTHERN ONTARIO, CANADA <i>Heather Hall</i>	57
RELATIONS BETWEEN THE EU COHESION POLICY AND THE REGIONAL DEVELOPMENT POLICY IN POLAND - COMPETITION, DOMINANCE/SUBORDINATION AND INTERDEPENDENCE <i>Katarzyna Hermann-Pawlowska</i>	60
THE EFFECTS OF THE COMPREHENSIVE RURAL VILLAGE CONSTRUCTION PROJECT ON LIVING ENVIRONMENT IN KOREA: APPLICATION OF SPATIAL ECONOMETRICS WITH DECOMPOSITION METHOD <i>JaeHee Hwang</i> <i>SeongWoo Lee</i>	65
FOREIGN DIRECT INVESTMENT AS ENGINE OF ECONOMIC DEVELOPMENT IN PERIPHERAL ECONOMIES. WHAT CAN WE LEARN FROM THE STUDY OF TWO DIFFERENT CASES: THE MAQUILADORA SUBSIDIARY (NICARAGUA) AND A TEXTILE MANUFACTURING SUBSIDIARY IN (ALBANIA). <i>Jolita Kacani</i> <i>Lucas Van Wunnik</i>	69
REGIONAL ECONOMIC RESILIENCE: THE ROLE OF NATIONAL AND REGIONAL POLICIES <i>Christina Kakderi</i> <i>Anastasia Tasopoulou</i>	70
REGIONAL AND URBAN ECONOMIC RESILIENCE CAPABILITIES IN COMPARATIVE PERSPECTIVE. EMPIRICAL EVIDENCES FROM TWO GERMAN STATES. <i>Florian Koch</i> <i>Laura Kirchner</i> <i>Daniel Speda</i> <i>Rüdiger Wink</i>	74
THE CHALLENGES OF NEW REGIONALISM: TOWARDS MODERN COMMUNITIES AND TERRITORIES <i>Katarzyna Miszczak</i>	95
RELATED VARIETY IN THE DEVELOPMENT OF LESS DEVELOPED REGIONS <i>Korneliusz Pylak</i> <i>Elżbieta Wojnicka-Sycz</i> <i>Ninetta Chaniotou</i>	109
ENGLISH REGIONAL POLICY POST 2015 – THE CASE FOR A MULTI-SCALAR APPROACH <i>Martin Quinn</i>	110

INVESTMENT TOOLBOX OF REGIONAL DISPARITIES REGULATION <i>Olga Shevchenko</i>	125
DEVELOPING THE LOGISTICS SECTOR IN SUBREGIONS: A POLICY MAKERS FAVORITE? <i>Ties Vanthillo</i> <i>Thomas Vanoutrive</i> <i>Ann Verhetsel</i>	141
REGIONAL POLICY IN POLAND IN TIME OF ECONOMIC CRISIS. DOES IT REALLY WORK? <i>Dominika Wojtowicz</i> <i>Agnieszka Olechnicka</i>	149

## L. Regional Well-Being And Happiness

SPATIAL DIFFERENTIATION AND FACTORS OF INCOME FORMATION IN THE SUBJECTS OF THE RUSSIAN FEDERATION (1995 - 2012 YEARS) <i>Irina Gerasimova</i>	49
DENSITY, GROWTH AND SUBJECTIVE WELL-BEING IN FINNISH REGIONS: THE PARADOX OF AFFLUENCE IN GEOGRAPHIC CONTEXT. <i>Mikko Weckroth</i> <i>Philip S. Morrison</i>	146

## M. Role of Institutions In Regional Development

LAND USE CLASSIFICATION AND ECONOMIC TYPOLOGY OF LOCAL TERRITORIAL UNITS IN POLAND <i>Robert Buciak</i> <i>Marek Pieniążek</i>	19
TWO CITIES, ONE TALE – SHANGHAI VS SHENZHEN IN THE COMPARATIVE LENS <i>Jun Du</i> <i>Ying Zhou</i>	41
GOVERNANCE OF CITIES FOR SUSTAINABLE URBAN DEVELOPMENT <i>Paul Hildreth</i>	60
DOES CENTRAL-LOCAL PARTISAN ALIGNMENT MATTER FOR REGIONAL DEVELOPMENT? EVIDENCE FROM AKP'S TURKEY <i>Davide Luca</i>	86
THE ECONOMIC IMPACT OF THE ELI R&D INFRASTRUCTURE AND SCIENCE PARK IN THE SZEGED SUB-REGION <i>Miklós Lukovics</i> <i>Tamás Dusek</i>	88
EXPLORING THE INTERFACE OF AFFORDABLE HOUSING STRATEGIES AND HUMAN CAPITAL MARKET IN CHINA <i>Julie Tian Miao</i>	94
GOVERNING THE GASLANDS: METAGOVERNANCE OF REGIONAL ENVIRONMENTS <i>Tiffany Morrison</i>	99

A SOCIOLOGICAL REVIEW OF CHALLENGES FOR FOOD SYSTEMS IN PERI-URBAN AREAS, THE CASE OF FLANDERS. <i>Kirsten Vanderplanken</i> <i>Ilse Loots</i> <i>Elke Rogge</i>	140
---	-----

## N. Role Of Social Networks in Regional Development

THE EXPERIENCED CONSEQUENCES OF POPULATION DECLINE FOR FAMILIES WITH CHILDREN IN RURAL VILLAGES OF NORTH-NETHERLANDS AND THE ROLE OF SOCIAL NETWORKS <i>Hans Elshof</i> <i>Leo van Wissen</i> <i>Clara Mulder</i>	43
--	----

## O. Spatial Justice

WOMEN'S RIGHTS IN PUBLIC SPACES- THE CASE OF THE CITY CENTRE OF NABLUS, PALESTINE <i>Mokarram Abbas</i>	3
GENTRIFYING THE ARRIVAL CITY: EXPLORING THE INTERACTION BETWEEN 'GENTRIFICATION' AND 'ARRIVAL' IN OUD-BERCHEM, ANTWERP (BELGIUM) <i>Ruth Wauters</i>	145

## P. Spatial Planning and Infrastructure

BRUSSELS HAS DECIDED - A NEW DEVELOPMENT PLAN FOR THE BRUSSELS REGION <i>Jens Aerts</i>	3
REGIONS, INFRASTRUCTURE, PLANNING: CHAOS OR COMPLEXITY IN THE ENGLISH TERRITORY? <i>Gordon Dabinett</i>	31
PLANNING THE ARRIVAL CITY: DEVELOPING THE SLAUGHTERHOUSE QUARTER IN BRUSSELS. <i>Stefan De Corte</i> <i>Jens Aerts</i> <i>Sarah Boeck</i>	35
MUNICIPAL FACILITY MANAGEMENT (MFM): COMMUNITY PLANNING ON THE TEST BENCH - LIFE CYCLE ORIENTATION IN THE FIELD OF VIEW <i>Christian Humhal</i> <i>Alexander Redlein</i>	64
REPRESENTATION OF POPULATION DISTRIBUTION BASED ON RESIDENTIAL BUILDING TYPES BY USING THE DASYMETRIC MAPPING IN SEOUL, KOREA <i>Sukjoon Lee</i> <i>Bo Yeong Hong</i> <i>Sang Wook Lee</i> <i>Hongmin Eom</i> <i>Kyung-min Kim</i>	82
RESILIENT TERRITORY: A NEW CONCEPT OF IDEAL SPACE IN PLANNING? A HYPOTHESIS OF RESILIENT TERRITORY AS A CONCRETE GOAL FOR SPATIAL DEVELOPMENT <i>Hongyang Wang</i>	144

SHRINKING AND WRINKLING OF SPACE CAUSED BY UNEVEN REGIONAL ROAD NETWORK INVESTMENTS: AN ANALYTICAL MODEL TO VISULISE ACCESSIBILITY PATTERN USING TIME-SPACE MAP <i>Kai Zhou</i>	151
--	-----

#### Q. Sustainability - Climate Change, Environment and Energy

INCREASING DISASTER RESILIENCE THROUGH INTERGOVERNMENTAL COLLABORATION <i>Aysin Dedekorkut-Howes</i>	36
GLASSHOUSE HORTICULTURE IN THE NETHERLANDS: GOVERNANCE FOR RESILIENT AND SUSTAINABLE ECONOMIES <i>Alwin Gerritsen</i> <i>Wim Nieuwenhuizen</i> <i>Annemarie Groot</i>	50
RETHINKING URBAN RESILIENCE IN COASTAL TOURISM CITIES <i>Michael Howes</i> <i>Elnaz Torabi</i> <i>Aysin Dedekorkut-Howes</i>	62
INSTITUTIONAL BARRIERS TO GREEN ENERGY MARKETIZATION <i>Jon Knudsen</i> <i>Jørgen Soot Kristiansen</i>	74
MAIN PROBLEMS OF WATER RESOURCE MANAGEMENT IN PERI-URBAN AREAS IN THE POZNAN METROPOLITAN AREA (POLAND) <i>Karol Mrozik</i> <i>Piotr Idczak</i>	99
COMPETITIVENESS, VULNERABILITY AND RESILIENCE IN THE ITALIAN LOCAL SYSTEMS <i>Paolo Rizzi</i> <i>Paola Graziano</i>	114
LOCAL PERCEPTIONS OF VULNERABILITY AND RESILIENCE. HOW THE GERMAN CITIES OF LUEBECK AND ROSTOCK CONSTRUCT CLIMATE CHANGE DIFFERENTLY <i>Petra Schierz</i> <i>Gabriela Christmann</i>	120
PATTERNS IN URBAN SUSTAINABILITY DETERMINANTS: AN EMPIRICAL ANALYSIS OF THE CITIES OF QUEBEC <i>Georges A. Tanguay</i> <i>Juste Rajaonson</i>	131

#### R. Territorial Governance and Regional Leadership

BETWEEN GLOBALIZATION AND TERRITORIAL FRAGMENTATION: CITIES AS FRICTION SPACE- A CASE STUDY OF BRUSSELS <i>Marion Berzin</i>	14
PLACE BASED POLICIES VS. PLACE BASED POLITICS - FUNCTIONAL AREAS AND THE PRACTICE OF MULTILEVEL GOVERNANCE <i>Maciej Borsa</i> <i>Magdalena Belof</i>	16



CHANGES IN INTER-STATE AUTHORITY RELATIONS IN CONTEMPORARY METROPOLITAN GOVERNANCE: CASE STUDY OF ISTANBUL AS AN INTERNATIONAL FINANCIAL CENTRE <i>Cihan Talha Cagil</i>	21
DISTINCTIVE AND INNOVATIVE REGIONS: URBAN RESILIENT COMMUNITIES AND REGIONAL POLICIES. THE SARDINIA CASE STUDY <i>Anna Maria Colavitti</i> <i>Alessia Usai</i> <i>Matteo Trincas</i>	29
INSTITUTIONAL CONTEXT AND POLICIES TO INCREASE THE ATTRACTIVENESS OF THE CITIES: THE CASE OF ISTANBUL <i>Ferhan Gezici Korten</i> <i>Ebru Kerimoğlu</i> <i>Gülden Demet Oruç</i>	51
COLLABORATIVE CAPABILITY AND LOCAL INFRASTRUCTURE DELIVERY IN ENGLAND <i>Vivien Holt</i> <i>Mark Baker</i> <i>Stephen Hincks</i>	61
CHINA'S REGIONAL POLITICS AND INDUSTRIAL LAND AUCTION <i>Guo Ji</i> <i>Chen Jing</i>	69
NEW NEW REGIONAL GEOGRAPHY <i>Martin Jones</i>	69
PLACE BASED LEADERSHIP - DECONSTRUCTING THE ROLE OF UNIVERSITY LEADERSHIP IN REGIONAL DEVELOPMENT <i>James Karlsen</i> <i>Paul Benneworth</i> <i>Rómulo Pinheiro</i>	71
ORCHESTRATING 'STRATEGIC COUPLING': A SHARED, PLACE-BASED LEADERSHIP APPROACH OF REGIONAL CLUSTER GOVERNANCE <i>Arnoud Lagendijk</i> <i>Miranda Ebbekink</i>	78
DIVERSITY WITHIN REGIONS, A STRENGTH OR WEAKNESS FOR REGIONAL DEVELOPMENT? THE CASE OF WEST SWEDEN <i>Magnus Lindh</i>	83
BEST PRACTICES IN THE POST-CRISIS RECOVERY PROCESS OF CLUJ-NAPOCA, ROMANIA <i>Julia Nagy</i>	100
SEQUENTIAL GOVERNANCE – ON THE TRANSFORMATIVE ROLES OF LEADERSHIP IN REGIONAL DEVELOPMENT PROCESSES <i>Roger Normann</i> <i>Hans Chr Garmann Johnsen</i> <i>Jon P. Knudsen</i>	102
THE PARADOX OF PLACE-BASED DEVELOPMENT AND CENTRALISED GOVERNANCE: THE CASE OF PÉCS IN HUNGARY <i>Ilona Pálné Kovács</i> <i>Zoltán Grünhut</i>	104

CHANGING DIRECTIONS? LEADERSHIP FOR ECONOMIC GROWTH, PLANNING AND TRANSPORT IN ENGLAND	126
---	-----

*John Shutt*  
*Gill Bentley*  
*Lee Pugalis*

DISTINCTIVE AND INNOVATIVE REGIONS: URBAN RESILIENT COMMUNITIES AND REGIONAL POLICIES. THE SARDINIA CASE STUDY	136
---	-----

*Alessia Usai*  
*Anna Maria Colavitti*  
*Matteo Trincas*

## S. Tourism and Experience Economies

SPORT TOURISM AND LOCAL DEVELOPMENT: APPROACHES TO GOLF	13
---	----

*Nicola Bellini*  
*Anna Loffredo*  
*Serena Rovai*

TOURISM-DRIVEN URBANISATION AND URBAN SPRAWL CONTRADICTIONS AND CHALLENGES ON TOURISM SPATIAL PLANNING THE CASE OF THE PORTUGUESE COASTAL AREAS	24
--	----

*João Carlos Cabral*  
*Cristina Cavaco*  
*Célia Martins*

THE USE OF CULTURE AND HERITAGE IN THE DEVELOPMENT OF A SECOND TIER CITY	30
--	----

*Richard Courtney*  
*Martin Quinn*

THE IMPACT OF THE LOCATION OF DOWNTOWN HOTELS ON TOURISM DEVELOPMENT AND PRICING IN ANTALYA	41
--	----

*Murat Ali Dulupcu*  
*Aykut Sezgin*

REGIONAL DEVELOPMENT PLATFORMS: EXPLORING THE CHANGING PRACTICES OF FOOD TOURISM IN NORTH JUTLAND, DENMARK	67
---	----

*Laura James*  
*Henrik Halkier*

STAKEHOLDER ROLES IN TOURISM POLICY AND THE OVERLOOKED IMPORTANCE OF INTRA-REGIONAL TOURISM	68
--	----

*Jelmer Jeuring*  
*Tialda Haartsen*

INFLUENTIAL FACTORS OF THE TERRITORIAL DISPARITIES IN THE TOURISM OFFER OF NORTH TRANSYLVANIA	87
--	----

*Cozma Lujza Tunde*

TOURISM AND EXPERIENCE ECONOMY: A FIELD RESEARCH	89
--	----

*Stefania Mangano*

THE IMPACT OF THE LOCATION OF DOWNTOWN HOTELS ON TOURISM DEVELOPMENT AND PRICING IN ANTALYA <i>Aykut Sezgin</i> <i>Murat Ali Dulupçu</i>	124
--	-----

## T. Urbanisation and Cities

SPATIAL STRUCTURE OF SHOPPING CENTRES IN WARSAW <i>Dorota Celinska-Janowicz</i>	26
A COMPARATIVE VIEW OF CREATIVE CLASS' CHOICE ON RESIDING IN DIFFERENT MICRO-REGIONS IN A CREATIVE CITY <i>Pınar Falcioğlu</i> <i>Ali Levent Kurtoğlu</i>	46
MAPPING RESIDENTIAL PATTERNS IN FLANDERS, BELGIUM IN VIEW OF A HOUSING MODEL IN TRANSITION <i>Michael Ryckewaert</i>	116
DEFINING URBAN SOCIAL SUSTAINABILITY FOR SMALLER CITIES. A LITERATURE STUDY <i>Eugenia Segerstedt</i> <i>Lena Abrahamsson</i> <i>Mats Jakobsson</i>	123
THE EVOLUTION OF NATIONAL URBAN POLICIES <i>Ivan Turok</i>	135

## U. The Economic Adjustment of Regions

EFFECTS OF SPECIALISATION ON INCOME CONVERGENCE IN CROATIAN COUNTIES <i>Katarina Bacic</i>	9
SPATIAL IMBALANCES AND GROWTH GAPS IN TURKEY (2004-2012) <i>Maria Despoina Argirou</i> <i>Constantinos Ikononou</i>	7
AN EXPLORATORY ANALYSIS ON THE DETERMINANTS OF REGIONAL RESILIENCE IN ITALY <i>Paolo Di Caro</i>	38
THEORETICAL-METHODOLOGICAL PROPOSALS FOR THE ELABORATION OF A SOCIO-ECONOMIC RESILIENCE INDEX. CASE STUDY: THE REGIONS OF THE EUROPEAN UNION AND OF THE CANDIDATE COUNTRIES. <i>Simona Epasto</i>	44
THE ROLE OF EU STRUCTURAL FUND PROGRAMMES IN PROMOTING REGIONAL ECONOMIC RESILIENCE <i>Adrian Healy</i> <i>Gillian Bristow</i>	58
REGIONAL STRESS PERFORMANCE IN EUROPE <i>Anastasios Kitsos</i> <i>Paul Bishop</i>	73

THE IMPACT OF ECONOMIC CRISIS ON GEOGRAPHIC AND PRODUCT EXPORT DIVERSIFICATION: THE CASE OF POLISH REGIONS <i>Barbara Szejgiec</i>	129
--	-----

#### Special Session 1: The Nature of Innovation Dynamics in Socio-Ecological Transformation Processes

THOUGHTS FOR A DEVELOPING WORLD: INNOVATIVE SOCIAL PRACTICES IN REGIONAL DEVELOPMENT <i>Karina Castro Arce</i>	25
PATH DEVELOPMENT IN DIFFERENT REGIONAL INNOVATION SYSTEMS: A CONCEPTUAL ANALYSIS <i>Arne Isaksen</i> <i>Michaela Tripl</i>	67

#### Special Session 2: Small Trade in Post-Soviet Cities: Between Regulation and Informality

DISCOURSES OF HOSPITALITY FROM DIFFERENT SETTINGS IN TBILISI: CONSIDERATIONS BETWEEN POST-SOVIET AND POST-REVOLUTION TIMES <i>Costanza Curro'</i>	30
LIMITS OF FINANCIAL GLOBALIZATION AND ITS IMPACT ON SMALL TRADE IN POST-SOVIET CITIES <i>Giorgi Khishtovani</i>	72
SILENCE AND INVISIBILITY: TACTICS OF THE WEAK OR THE STRATEGY OF THE POWERFUL? CASE OF PETTY TRADERS IN TBILISI <i>Lela Rekhviashvili</i>	112

#### Special Session 3: Critical Studies of Urban and Regional Development

WHO IS DESIRED IN THE DESIRABLE REGION? - REGIONAL DEVELOPMENT, CITIZENSHIP AND THE STRUGGLE FOR ATTRACTION <i>Tomas Mitander</i> <i>Andreas Öjehag Pettersson</i>	96
PRODUCING GLOBALIZATION: LEGITIMIZING REGIONAL GOVERNANCE REGIMES IN THE 'GLOBAL AGE' <i>Andreas Öjehag-Pettersson</i>	103
A GLOBAL MARKET FOR POLICY OR A MARKET FOR LEGITIMACY? POLITICS, POWER AND KNOWLEDGE IN REGIONAL (CLUSTER) DEVELOPMENT <i>Line Säll</i>	116
THE ROLE OF 'SPATIAL VISIONS' IN URBAN DEVELOPMENT PROJECTS. A CASE OF POST- INDUSTRIAL RECONVERSION IN THE BRUSSELS' CANAL ZONE. <i>Sofie Vermeulen</i>	142

#### Special Session 4: The Green Economy, Knowledge Dynamics and Regional Development Policy

POLICIES FOR NEW FORMS OF URBAN MOBILITY IN THE GREEN ECONOMY: AN ASSESSMENT OF CHALLENGES AND OPPORTUNITIES IN THE EUROPEAN UNION <i>Nigel Berkeley</i>	14
KNOWLEDGE DYNAMICS, NETWORKS FOR 'GREENING THE ECONOMY' AND POLICY INTERACTIONS: THE CASE OF PAPER PROVINCE 2.0 <i>Margareta Dahlström</i>	34
DEVELOPMENT OF GREEN TECHNOLOGY PATHS IN NORWEGIAN AQUACULTURE AND MARITIME INDUSTRY - BETWEEN PATH DEPENDENCY AND PATH-CREATION <i>Jens Kristian Fosse</i> <i>Stig-Erik Jakobsen</i> <i>Øystein Stavø Høvig</i> <i>Rune Njøs</i>	46

#### Special Session 5: Housing and Urban Regeneration

WHICH ATTRIBUTES INFLUENCE THE HOUSING MARKETS ACROSS THE GREEK ISLANDS? <i>Dimitra Kavarnou</i> <i>Anupam Nanda</i>	71
FILLING THE TANK WHEN THE AUTOMOTIVE INDUSTRY LEAVES: REGENERATION OF EMPLOYMENT LAND IN METROPOLITAN ADELAIDE <i>Charmaine Thredgold</i> <i>Andrew Beer</i>	131
URBAN REGENERATION AND QUALITY OF LIFE: A CASE STUDY OF IZMIR, TURKEY <i>Mark Wilson</i> <i>M. Vedat Pazarlıoğlu</i> <i>K. Irene Shim</i>	148

#### Special Session 6: Mega Event Planning: The Impact of the Olympics and World's Fairs on their Host Cities

HOW MEGA EVENTS AFFECT INTERNATIONAL TRADE? A GRAVITY MODEL PERSPECTIVE <i>Davide Arioldi</i>	8
LEVERAGING THE LONDON 2012 PARALYMPIC GAMES TO PROVIDE OPPORTUNITIES FOR PEOPLE WITH DISABILITIES <i>Ian Brittain</i>	18
IMPACT OF MEGA EVENTS ON HOST COUNTRIES AND CITIES <i>Rahim Küçüktaş</i>	77
DESTRUCTION OR CONSTRUCTION? INVESTIGATING THE SOCIAL CHANGE POWER OF COUNTER-BRANDING IN THE CONTEXT OF MEGA-EVENTS. <i>Cecilia Pasquinelli</i> <i>Antonella Maiello</i> <i>Orlando Alves dos Santos</i>	105



TEMPORAL EFFECTS ON LOCAL RESIDENTS' IMPACT PERCEPTIONS OF HOSTING A EUROPEAN CAPITAL OF CULTURE – THE CASE OF “GUIMARÃES 2012”	113
<i>Paula Remoaldo</i>	
<i>José Cadima Ribeiro</i>	
<i>Laurentina Vareiro</i>	
<i>José Freitas Santos</i>	

#### Special Session 7: Building Resilient and Distinctive Regions: Cultural Heritage-Based Development Models

WORLD HERITAGE SITES IN THE ALPS AS DRIVERS OF DEVELOPMENT	101
<i>Janez Nared</i>	
BETWEEN CONFLICTS AND PARTNERSHIPS: MANAGING THE UNESCO WORLD HERITAGE LABEL IN PERIPHERAL AND METROPOLITAN URBAN REGIONS IN EUROPE	102
<i>Carola Silvia Neugebauer</i>	

#### Special Session 8: Functioning of the Customs Union Between Turkey and the EU

FREE TRADE IN HARD TIMES: COMPARING EU AND TURKISH CRISIS-ERA TRADE POLICIES	15
<i>Yelter Bollen</i>	
<i>Ferdi De Ville</i>	
GRAVITY ANALYSIS OF TURKEY'S FREE TRADE AGREEMENTS	55
<i>Şule Gündüz</i>	
<i>Seçkin Yıldırım</i>	
A GLANCE AT THE TECHNOLOGY CONTENT OF TURKEY'S EXPORT COMPOSITION: IS IT POSSIBLE TO PRESERVE AN INCREASING EXPORT TREND?	136
<i>Kenan Tümer</i>	
<i>Yaprak Gülcan</i>	
GRAVITY ANALYSIS OF THE EUROPEAN UNION-TURKEY CUSTOMS UNION	150
<i>Şule Gündüz</i>	
<i>Seçkin Yıldırım</i>	
<i>Elif Yaprak Gülcan</i>	

#### Special Session 9: Regionalism in International Law And Relations

GROSSRAUM THEORY AS REGIONAL THEORY?	117
<i>Michael Salter</i>	
PAN-AFRICAN LEGAL INSTITUTIONAL DEVELOPMENTS AS EVIDENCE OF AN EMERGENT LEGALLY DRIVEN PAN-AFRICAN GROSSRAUM?	137
<i>Allwell Uwazuruike</i>	
THE SCO AS A CLASSIC GROSSRAUM?	150
<i>Yinan Yin</i>	

#### Special Session 10: Economic Adjustment And Resilience of Commercial Landscapes

E-RESILIENCE OF UK TOWN CENTRES	39
<i>Les Dolega</i>	
<i>Alex Singleton</i>	

TOWARDS A CONCEPTUALISATION OF THE EVOLUTIONARY TRAJECTORIES OF HIGH STREETS	78
<i>Dionysia Lambiri</i>	
<i>Neil Wrigley</i>	
<i>Les Dolega</i>	

#### Special Session 11: Regional and Local Development in Australasia

WIPEOUT? THE GOLD COAST AND TWEED SURFBOARD MANUFACTURING CLUSTER, ITS SPATIAL EVOLUTION AND CURRENT CHALLENGES	6
<i>Neil Argent</i>	
<i>David Logue</i>	
<i>Andrew Warren</i>	
REGIONAL SKILL ECOSYSTEMS TO ASSIST YOUNG PEOPLE MAKING EDUCATION EMPLOYMENT LINKAGES IN TRANSITION FROM SCHOOL TO WORK	34
<i>Paul Dalziel</i>	
GUIDELINES FOR FUTURE DEVELOPMENT: TESTING A REGIONAL PLAN USING FUTURE URBAN GROWTH MODELLING	98
<i>Phil Morley</i>	
<i>Jamie Trammel</i>	
FLY-IN, FLY-OUT, DRIVE-IN, DRIVE-OUT: THE AUSTRALIAN MINING BOOM VERSUS THE LOCAL ECONOMY	106
<i>Martin Perry</i>	
<i>James Rowe</i>	

#### Special Session 12: Industry Restructuring

DEALING WITH SHOCKS: DEVELOPING A POLICY FRAMEWORK	10
<i>David Bailey</i>	
<i>Jonathan Cook</i>	
<i>Simon Pringle</i>	
REGIONS AND STRUCTURAL ADJUSTMENT IN AUSTRALIA	13
<i>Andrew Beer</i>	
PLANT CLOSURES, PRECARIOUSNESS AND POLICY RESPONSES: REVISITING THE MG ROVER CASE	36
<i>Alex De Ruyter</i>	
<i>David Bailey</i>	
UNDERSTANDING THE ECONOMIC IMPACT OF PLANT CLOSURE: A RESEARCH AGENDA	59
<i>Nick Henry</i>	
REGIONAL ECONOMIC RESILIENCE IN IRELAND: THE ROLES OF INDUSTRIAL STRUCTURE AND FOREIGN INWARD INVESTMENT	138
<i>Chris Van Egeraat</i>	
<i>Proinnsias Breathnach</i>	
<i>Declan Curran</i>	

**TOWARDS AN EVOLUTIONARY PERSPECTIVE ON REGIONAL RESILIENCE**

**Ron Boschma, Utrecht University, THE NETHERLANDS**

The concept of regional resilience has drawn a lot of attention in the context of the current economic crisis. This has brought about more clarity on the definition and meaning of resilience but no consensus. In economic geography, there is a tendency to refute the engineering, equilibrium concept of resilience, in which resilience is regarded as a response to external disturbances and a move back to a steady state. Scholars have advocated an evolutionary approach to regional resilience instead, in which the focus is on the long-term capacity of regions to reconfigure their socio-economic structure. However, Martin (2012) argues that the long-term adaptive capacity of regions is still 'largely unresearched'. As such, an evolutionary perspective on regional resilience is still work in progress.

The objective of the paper is to show that an evolutionary perspective can bring additional insights to the expanding literature on regional resilience. First, we conceptualize regional resilience not just as the ability of a region to accommodate shocks, as is common in the literature, but we extend it to the ability of regions to reconfigure their socio-economic and institutional structures to develop new growth paths. Second, we propose a comprehensive view on regional resilience, in which industrial, network and institutional dimensions of resilience come together and are combined. Doing so, we take up the question of how related variety may be linked to regional resilience, how networks can be made part of it, an issue that has received little attention in the regional resilience literature despite some focus on complex adaptive systems, and we make an effort to tackle the critique that the resilience literature has drawn too little attention to institutions. Third, we make history a key input to our understanding of regional resilience. There is a tendency in the literature that resilience means to avoid path dependence, or a move away from it, as if new growth paths are detached from their past, and as if regions need to escape from their historical legacy to achieve that. We propose a conceptualization of regional resilience in which history is key to understand how regions develop new growth paths, as pre-existing industrial, network and institutional structures in regions provide opportunities but also sets limits to the process of diversification. Fourth, the evolutionary literature on regional resilience has drawn attention to a trade-off between adaptation and adaptability. We explore how this trade-off may be overcome, as we see this as a key challenge for regions to become resilient, that is, how to secure adaptability and adaptation simultaneously. We conclude that resilient regions have techno-industrial structures with both related and unrelated variety, networks structures that are open and loosely coupled, and institutional structures that are loosely coherent.

**A QUANTUM ADVANCE FOR REGIONAL INNOVATION: TRANSVERSAL RIS3 STRATEGISING**

**Philip Cooke, Cardiff University, UK**

Progress has been made of late by complexity and spatial analysts concerning the proximity dimension still crucial to regional innovation and associated policy. This rests on understanding that the core process of innovation is 'knowledge recombination'. From an economic geography perspective, which is taken in this paper, this raises interesting issues for the economics of knowledge. First it makes the need to pay serious attention to questions of 'proximity' imperative, suggesting not that knowledge is easily appropriable for ('open') innovation but that it may be excessively difficult to identify because it lies hidden in possibly neighbouring - but different - industries and firms. Thus, second, it makes the notion of 'knowledge spillovers' problematic because the spillovers may come in unrecognisable forms. Hence, third, this means that firms likely need more than usually expected intermediation (including knowledge transfer services) to avoid market failures of innovation. The complexity theory notion of 'transversality' has been advanced to capture the 'emergence' of novelty out of contexts of difference, unifying a solution to the three conceptual problem-issues raised in the presentation.

## **PATH DEPENDENCY AND DEVELOPMENT OF TOURISM REGIONS. CHALLENGES OF CHANGE IN MATURE EUROPEAN DESTINATIONS**

**Henrik Halkier, Aalborg University, DENMARK**

The notion of path dependency has increasingly been used as a frame for understanding the development of regions, whether their dominant socio-economic activities are industrial or services such as tourism. As many tourist destinations consist of a large number of relatively small private and public actors, they have often been seen as having difficulties with regard to innovation because of a shortage of actors with sufficient resources to engage in reinvention of the tourist experience offered (Hall & Williams, 2008; Hjalager, 2010), and thus in terms of 'negative lock-in' (Martin, 2010) such inflexible tourism regions would clearly be at risk of becoming stuck in development trajectories with decreasing economic prospects. In the literature on tourist destination development, these challenges have often been captured through the notion of the Tourism Area Life Cycle (Butler, 1980/2006) which identifies a series of stages through which a destination evolve before their core resources – e.g. space for hotels near the beach or mountains suitable for skiing – have been exhausted and actors face the challenge of renewal or decline.

In recent years the focus in evolutionary economic geography has gradually shifted away from 'the ties that bind' towards attempts to conceptualize the relationship between continuity and change in regions (Martin & Sunley, 2014), focusing on how actors are able to influence regional paths or help create new paths. The importance of incremental change through 'path plasticity' has been proposed (Strambach, 2008), different forms of gradual change has been identified in the historical institutional literature (Mahoney & Thelen, 2010), and path creation has enjoyed increased interest (Karnøe & Garud, 2012) – and similar concerns can be found in the small but growing literature adopting an evolutionary approach to the analysis of tourist destinations (e.g. Gill & Williams, 2011; Brouder & Eriksson, 2013; Ma & Hassink, 2013; Halkier & Therkelsen, 2013).

This paper continues the exploration of path dependency and development of tourism regions by exploring challenges of change in mature European destinations. First the conceptual issues concerning regional path dependency and the recent emphasis on understanding dynamics are outlined, stressing in particular the notions of path plasticity, forms of gradual change and co-existence of social institutions as helpful in understanding the development of regions. Secondly this approach is used to analyse a mature European destination, the international coastal leisure tourism destination of North Jutland which has seen stagnating/declining visitor numbers since the turn of the century. The analysis focuses on identifying the key institutions defining the path of the destination and discusses attempts to bring about incremental change by modifying some of these in order to increase visitor numbers. The paper concludes that it is possible to develop an analytical perspective that mediates between path dependency and agency by stressing the importance of contextualized strategic action, in mature tourist destinations as well as from a wider perspective of regional development.

## **THE REAL-TIME CITY? BIG DATA AND SMART URBANISM**

**Rob Kitchin, National University of Ireland Maynooth, IRELAND**

'Smart cities' is a term that has gained traction in academia, business and government to describe cities that, on the one hand, are increasingly composed of and monitored by pervasive and ubiquitous computing and, on the other, whose economy and governance is being driven by innovation, creativity and entrepreneurship, enacted by smart people. This paper focuses on the former and, drawing on a number of examples, details how cities are being instrumented with digital devices and infrastructure that produce 'big data'. Such data, smart city advocates argue enables real-time analysis of city life, new modes of urban governance, and provides the raw material for envisioning and enacting more efficient, sustainable, competitive, productive, open and transparent cities. The final section of the paper provides a critical reflection on the implications of big data and smart urbanism, examining five emerging concerns: the politics of big urban data, technocratic governance and city development, corporatisation of city governance and technological lock-ins, buggy, brittle and hackable cities, and the panoptic city.

*Spatial Justice***WOMEN'S RIGHTS IN PUBLIC SPACES- THE CASE OF THE CITY CENTRE OF NABLUS, PALESTINE**

**Mokarram Abbas, Independent Researcher, PALESTINIAN TERRITORY**

Many gender-based approaches to planning theory have underlined the perception of spatial justice. These approaches promoted, first, urban spaces that provide a neutral ground that both women and men can equally share, use and access. Second, they recognized the differences in the spatial needs among women themselves and between women and men, and thus called to recognize these gender-based differences in the planning process. Public spaces are legally safeguarded to remain open and accessible, physically and visually, to all citizens- regardless of any group- based characteristics, such as gender, race, ethnicity, age or socio-economic level. Accordingly, the key feature of public space is accessibility, either to the space itself or its amenities. This however doesn't assure in practice that public spaces are equally shared by all citizens. Many marginalized groups have no position in the public sphere, especially if exclusionary practices are performed by one dominant group.

The paper explores the feminist debates on women's rights in urban spaces, and highlights the effect social practices have on the spatiality of women in public spaces. The empirical research, presented in this paper, is focused on the urban experiences of women in the city centre of Nablus, Palestine. This helped explore the extent to which the physical and social characteristics of the city centre are convenient to the use of women. It is noted that women in Nablus equally share and use the city centre with men during the daytime. Yet, they do not 'appropriate' the outdoor spaces like the men of Nablus (many male-dominated spaces were mapped out). Women in Nablus are thus passers-by: they do what they need to do and then leave. They do not occupy spaces or stay longer to enjoy public life by sitting in a public area for example. In addition, the women's visits to the area are mostly limited to the daytime. On the contrary, the city centre at night is occupied mainly by men.

In conclusion, many powerful factors influence the spatiality of women in Nablus. Most women were not satisfied with the spatial opportunities currently available in the city centre. They reported many missing facilities, spaces, and activities that they wish were provided. Also, gender-power relations exerted in space (i.e. the male-domination of space) cause many women to feel uncomfortable and 'out of place'. The city centre of Nablus does not provide equal spatial opportunities for women. New planning vision that integrates a gender perspective is needed. For example, it is advised to provide new spatial opportunities that would attract women to spend more time in the city centre, and that would enhance their active engagement in the surrounding environment.

*Spatial Planning and Infrastructure***BRUSSELS HAS DECIDED - A NEW DEVELOPMENT PLAN FOR THE BRUSSELS REGION**

**Jens Aerts, Cosmopolis-Centre for Urban Research (VUB Brussels) and Bureau for Urbanism, BELGIUM**

In December 2013, the government of the Brussels Region has approved the project for a new 'Sustainable Development Regional Plan' with a double horizon on 2020 (actions) and 2040 (vision). The plan has a major core, called the City Vision that corresponds to the literal definition of a Spatial Plan. Nevertheless, within the tradition of the actual regional plan for Brussels, it is embedded in a transversal framework of all relevant urban policies, thus becoming a comprehensive urban policy plan for the Brussels Region. With the help of some external experts, the Plan has been drafted by the public administration responsible for Spatial Planning, piloted by the political advisors of the minister-president.

By highlighting the specific political context and near history of the Brussels Region as a capital and city-region, the slow process of the acknowledgment of the regional scale and the international assets of Brussels as

capital can be explained. The process is illustrated by recent projects on urban generation and other initiatives on spatial planning and urban policy. For the first time an explicit ambition appears to analyse and tackle urban challenges on a regional, metropolitan scale, despite the limits of the Spatial Plan to have no say beyond the administrative borders of the small Brussels city-region. The five main challenges need a metropolitan scope, to be translated in concrete strategies within the city region borders and its policy capacity: the demographic growth that implies a densification process and increase of needs for public amenities such as schools and parks; the weak employment rate that asks for strong vision on urban economy and education; the pressure on the urban environment due to an excessive car-use by citizens and commuters; the alarming evolution of the poverty rate with an increased risk towards dualisation; the internationalisation process of the small city-region that hosts both decision centres and international migration dynamics. Within the metropolitan scale some relevant, multi-scalar spatial concepts have been defined, that help to break the ongoing mental fragmentation of space and urbanity by administrative borders. These concepts seem to be able to be translated to some guiding principles on the more urban and local level, such as a polycentric city development with local and metropolitan identities, the frame of a multimodal and infrastructural network with increased intermodality, axes and clusters for new urban economies and the layout of structural open space corridors.

The implementation of these concepts requests the fundamental rethinking of existing instruments and above all, should be driven by the implementation of strategic projects, defined and coproduced by many urban stakeholders. Some pioneering examples have been detected, as well as several actual contra-productive initiatives. This critical view questions the capacity of the actual political framework to act consistently, but also the relevance of an all-comprehensive planning policy approach.

#### *Innovation and Knowledge Economies*

### **TECHNOLOGY SPILLOVERS AND INTERNATIONAL BORDERS**

**Nisar Ahmad, Department of Border Region Studies, University of Southern Denmark, DENMARK**

**Amjad Naveed, Department of Border Region Studies, University of Southern Denmark, DENMARK**

Regions across international borders characterize differences in institutions, policies and regulations that have economic significance. On the contrary, regions within same country are clearly more integrated: they have more synchronized business cycles, they engage in more extensive risk-sharing, they trade more with each other, their growth rates converge faster, and their inflation rates are more similar. The borders of EU are open for the movement of resources but still there can be some strong negative effects of international borders on productivity and knowledge spillovers compared to the internal regional borders. For example, this could be due to language barriers, cultural differences, local rules and regulation, legal issues, property rights etc. These effects of international borders have economic significance that need to be controlled for analyzing the regional knowledge spillovers. This aspect related to international borders has not been fully taken into account in the literature related to technology spillovers. In this study, we specifically test international border effect on technology and knowledge spillovers. The study implements extended versions of spatial econometric models like Spatial Autoregressive model (SAR) and Spatial Durbin Model (SDM). The regions in NUTS-2 level are varying in size and widely viewed as the most appropriate unit for modeling. Therefore, NUTS-2 level regional data of EU is used for the analysis. The database consists of 204 regions for 16 EU countries over the period of 1999-2010. Among these 204 EU regions, 86 regions share a border of a region in neighboring countries. These regions are important to identify the border effect of the spillovers among EU countries. The results of current study show that there exist close link between productivity and knowledge stock. The regional productivity depends on local knowledge stocks from the internal region and does not depend on the stock of knowledge from border regions. Similarly, there exists global technology spillover from the internal neighboring regions but not from the border neighboring region. These findings provide a substantial evidence for the role of internal regional knowledge spillovers and internal global technology spillovers as the important factors contributing to the regional productivity growth. The finding also confirms that the neighbor region across the international border contributes insignificantly to the regional productivity growth. Even though, there is free movement of resources like labor and capital etc. but still there are strong effect of borders on technology and knowledge transfer.

**THE ROLE OF INSTITUTIONS AND STATE OWNED ENTERPRISES ON EMERGENCE OF INDUSTRIAL CLUSTERS: THE CASE OF ABU DHABI**

**Hamed Alhashemi, Cranfield School of Management, UK**

A fundamental research question in regional economic development is why some countries were able to diversify into new products, new industries and new clusters while others continue to face challenges to diversify? Resource rich countries like UAE and other GCC nations that are aspiring to catch up with advanced economies face a dilemma. Over the past four decades these countries have witnessed high economic growths on the backbone of oil and gas revenues but continue to experience tremendous difficulties to structurally transform and diversify their economies beyond natural endowments i.e. oil and gas. UAE moved from near zero industrial base 40 years ago to a major world production center for petrochemicals, fertilizers, and base metals such as steel and aluminum in addition to vast current developments in services including banking, shipping, logistics distribution, airports, real estate etc. have taken place. However, these economies are structured around simple and energy dependent products and clusters that require limited capabilities and knowledge, which making these economies difficult to upgrade into more complex and sophisticated products, industries and clusters. Further, UAE economy is mainly driven by government institutions and enterprises. State Owned Enterprises (SOEs) are considerably the anchor of industries, which offer a different context on emergence and evolution of firms, products, and industries.

The qualitative research on the case of Abu Dhabi highlights the challenges, factors and role of institutions and state owned enterprises on creation of new paths for growth and emergence of industrial clusters.

Natural endowments and accumulated capabilities position these countries on path dependence trajectories determined by proximity, relatedness, variety, and complexity of their accumulated capabilities to nearby products in the product space that can be exploited. Knowledge, proximity, relatedness, and variety are presented as underlying factors for emergence and evolution of industrial clusters in regional economies. Further, the importance of knowledge, proximity, relatedness, and variety is threefold; first, it determines path dependency; second, it defines available opportunities for diversifications; and third, it conditions creation of new paths for growth. However, regional economies undertake different pathways on transforming the structure of their economies depending on existing accumulated knowledge and capabilities that are embedded within firms, products and industries. Therefore, the nature and mobility of knowledge embedded within a regional economy e.g. component or architectural, embodied or disembodied, simplex or complex; determines the branching mechanism of firms, products and industries hence emergence and evolution of industrial clusters.

In this paper we provide a critical review of the role of institutions and state owned enterprises on creation of new paths for growth and emergence of industrial clusters from the theoretical perspectives of evolutionary economic geography and knowledge based view as two essential foundation concepts to understand emergence and evolution of industrial clusters. We conclude by discussing the implications for policy makers on shaping regional industrial and development strategies.

**INTER-REGIONAL SCIENTIFIC COLLABORATION IN CHINA**

**David Emanuel Andersson and Saileshingh Gunessee, Nottingham University Business School China, CHINA**  
**Soren Find, Danish Technical University, DENMARK**  
**Christian Wichmann Matthiessen, University of Copenhagen, Denmark**

An important indicator of the economic development of a city, region or country is the scientific activity that takes place in the analysed spatial unit. This has been the subject matter of a new stream of research that focuses on spatial patterns of science production and co-operation patterns by using bibliometric databases involving journal papers that are indexed by the Science Citation Index (SCI). News outlets have highlighted the

impressive volume of Chinese scientific output in recent years, but save for these anecdotal facts little is known about it. Particularly relevant questions in this context include how much of this research output is the outcome of co-operation between scientists in different cities and what the causes of such knowledge flows are in a Chinese context.

Using cross-sectional gravity-type negative binomial models, we find that distance between city regions matter, and also that Beijing exhibits greater levels of inter-regional activity than other city regions. There are also greater levels of interactivity between pairs of cities within the same province. Alternative panel-data regressions show that the distance friction in China is quite similar to those estimated with a similar approach for European regions. Different measures of the regional gravity mass variable, such as number of publications, number of higher-education teachers, and size of the gross regional product yield similar distance magnitudes, implying that the results are relatively robust. We also find that the level of interactivity has increased over time, so that there is much more inter-regional collaboration in relative terms in 2008-2010 than in 1996-1998. The general pattern is monocentric, with Beijing as a dominant mode both in terms of total output and total co-authorships.

An explorative network analysis complements the gravity-type analysis. We find that the closest links in terms of higher-than-expected co-authorships involve Beijing and minor cities in all parts of China, as well as distinct spatial clusters that link cities in large regions such as the Yangzi River Delta. It is also evident that the level of monocentricity is decreasing over the studied time period (1996 to 2010): publication growth rates are higher in the smaller cities and there is an increasing number of important linkages between cities that do not include Beijing as one of the nodes. The overall conclusion is that China has a spatially centralized Beijing-centred structure of scientific production, with Shanghai and Nanjing as the main second-level centres, both in terms of volume and interactivity.

#### *Special Session 11: Regional and Local Development in Australasia*

### **WIPEOUT? THE GOLD COAST AND TWEED SURFBOARD MANUFACTURING CLUSTER, ITS SPATIAL EVOLUTION AND CURRENT CHALLENGES**

**Neil Argent, David Logue and Andrew Warren, University of New England, AUSTRALIA**

The Gold Coast and Tweed coast region is an archetypal Australian high amenity coastal area. It is also home to a local surfboard manufacturing industry of international standing, with well over one hundred separate but frequently closely related firms located in this littoral zone. Over a period of 50 years, this industry has developed an extensive network of forward and backward linkages that collectively generates \$3.3 billion per annum, representing a substantial proportion of the regional economy. Based on interviews with 19 active manufacturers during 2011, this paper explains the rise and enduring influence of the Gold Coast/Tweed surfboard manufacturing agglomeration in relation to four key elements of the 'new industrial districts' literature: producers' focus on quality, artisanal-style production methods; the sector's twin commitment to craft skills maintenance and innovation; the famed 'industrial atmosphere'; and a preference for informal, non-hierarchical producer organization. In addition, we explore the many multi-scalar challenges the sector faces in order to remain viable in the longer term. We find that the combination of high quality surf, an established surfing culture and sympathetic planning instruments, together with the ready accessibility of high quality material suppliers, have helped shape the current configuration of the local surf industrial district. However, the cluster is at a crossroads due to a complex combination of increasing international competition, protracted regional economic decline, the national mineral and energy resources boom's voracious demand for labour and its inflationary impact on the exchange rate. The small-scale, informal, independent and 'pro-am' character of many of the cluster's participants and their workers – once seen as key to the sector's resilience – is now proving to be something of a double-edged sword. At a time when co-operation and collaboration is increasingly seen by key industry observers and supporters as crucial to securing the sector's future via the development of, for example, formal training and industry mentoring of young workers/surfers, the failure to develop an industry peak organization – formal or informal – is concerning. We argue that the new industrial districts literature provides a valuable lens through which to examine the inner workings of the



Gold Coast/Tweed surfboard manufacturing agglomeration and its dynamic external linkages, and to identify its relative strengths and weaknesses.

*The Economic Adjustment of Regions*

## **SPATIAL IMBALANCES AND GROWTH GAPS IN TURKEY (2004-2012)**

**Maria Despina Argirou and Constantinos Ikonou, National and Kapodistrian University of Athens, GREECE**

The Turkish economy appears to be one of the most promising internationally, largest and fast-growing over the last decades. In the last decade it emerged as one of the thriving economies, along with the economies of BRICS. Its GDP over-doubled from 1990 to 2012, while at the same period GDP per capita increased by approximately 70%, currently positioning the Turkish economy as the 17th largest nominal GDP worldwide. Despite these facts, there are doubts about the equal distribution of welfare across the Turkish regions and the economy's capacity to equally share it, as well as the fruits of sustainable growth and development. The problem of equal distribution of development is a more general issue to consider in the geographical neighbourhood. Furthermore, one needs to acknowledge that the gap between the Turkish regions and other EU regions remains.

The present research aims at providing an initial contribution in the most recent literature on spatial growth imbalances in Turkey (e.g. Celebioglu and Dall'era 2010, Dincsoy and Ichiminami 2006, Gezici and Hewings 2003), by examining spatial inequalities within the Turkish territory and their change during the 2004-2012 period. This is an extended period of growth, when a different model of economic policy for the Turkish economy is promoted.

For this purpose, it focuses on investigating a number of crucial economic indexes, such as the "per capita GVA", "business structure", "sectoral share of GVA", "number of enterprises" and "unemployment rate", collected by the Turkish Statistical Institute (TurkStat) and from AMECO series. These are analysed at different spatial scales (NUTS1, NUTS2 and NUTS3), by the use of descriptive statistics, and, in certain occasions, maps. Several diagrams are used and location quotients are also explored.

Spatial units at the NUTS1 and NUTS2 level are further distinguished into winning, catching-up, falling behind and losing regions, taking into account a 75% GVA threshold. By the use of several Eurostat variables (such as GDP per capita, unemployment, poverty rates and other), projected in maps, the NUTS2 regions are compared against other NUTS2 regions across the EU territory.

The main findings point towards the presence of considerable disparities amongst regions at different spatial scales but the conclusion is not the same when one refers to changes in disparities. The presence of clearly defined emerging economic growth centres is discussed and the intense peripherality of parts of the remaining of the Turkish economy is suggested to take place. However, findings ought to be seen in the light of internal migration and other domestic demographic patterns and their interplay with economic variables. Similarly, another important aspect to take into account is the state's physical geography that affects its administrative breakdown and, as a result, the measurement of its economic imbalances.

Several conclusions are reached with respect to the capacity of the Turkish economy to balance growth across its territory and its necessity and the diversity of regional economic outcomes, within the EU-Turkey Trade Union. The limitations and difficulties encountered in the present research are also discussed.

## **HOW MEGA EVENTS AFFECT INTERNATIONAL TRADE? A GRAVITY MODEL PERSPECTIVE**

**Davide Arioldi, University of Italian Switzerland, SWITZERLAND**

In recent years, more and more countries compete in international contest to win the organization of a big event. In fact, traditional approaches suppose that hosting a big event should increase the charm of a country, strengthening visibility and boosting economic openness. Nevertheless, empirical researches highlight ambiguous results: the real effects of these events have been very heterogeneous, depending both on the type of mega-event and on the hosting country.

Considering the international trade one of the main competitiveness component of a country, the present paper aims to investigate the effect of various mega-events (Summer and Winter Olympic Games and universal exhibitions – i.e. EXPO) on economic openness (through the international trade flow), applying and confronting different econometric models

In past years, this kind of evaluations has received increasing attention by academic researchers and policy makers, due to the strong competition that arises when several countries try to host a big event. These studies have led to significantly different results in terms of the overall impact on the economy, depending on both the event category and the adopted methodology. For instance, in Rose and Spiegel [2011] we find positive effects for hosting Olympic Games in the period 1950 – 2006. However, other big events like Expo are not well investigate.

Our contribution to the literature are through the inclusion of the Universal Exhibitions in this kind of studies, considering separately the effects on import and export, taking into account a seven years timespan (from three years before the event to three years after).

We apply a panel data approach using the dataset provided by the CEPII, from 1946 to 2006. We investigate the effect through a gravity model, using various econometric techniques (for instance fixed effect model, quasi poisson maximum likelihood – as in Santos Silva and Tenreiro [2006] – and Heckman sample selection model).

Our main results are consistent with the previous literature on Summer Olympic Games but they are different from previous studies on universal exhibitions.

The conclusions concern the mega-events' effects on national trade flows. Hosting a Universal Exposition seems to have a negative effect on Export from the previous three year to the year of the exposition. From an import perspective, we can't confirm a negative effects on the volume of trade; nevertheless we can observe a major number of importer country in the year next to the exhibition.

Our findings on Summer and Winter Olympic Games are instead more similar to others researches, but we figured out that the effects for the Summer Olympics Games are restricted to the exports and seem to quickly vanish after the event. For the Winter Olympics Games we can instead observe some negative effects on the export side, after the event.

*Culture, Creativity and ICT*

## **THE IMPACT OF THE ECONOMIC CRISIS ON THE CULTURAL AND CREATIVE SECTORS IN EUROPEAN COUNTRIES; A STATISTICAL ANALYSIS**

**Vasilis Avdikos, Panteio University, GREECE**

**Athanasios Kalogeris, Aristotle University of Thessaloniki, GREECE**

The creative and cultural industries (hereafter CCI) seem to have gained considerable interest by the academic and policy-making community during the last 15 years.

In the European Union the CCI play an increasing role in the processes of economic growth of national and regional economies, where they employ more than 8 million workers and about 1.5 million cultural and creative businesses have a turnover of around 650 billion euro. The recent economic crisis (post-2008) has shaken the majority of European economies, especially in countries with public and/or private debt problems (Spain, Greece, Italy, Portugal, to name but a few) and triggered austerity measures in most of them that had an immediate effect on CCI. However, there are only few studies that show the ways that CCI have weathered the recent crisis. The paper attempts to describe the impact of the economic crisis to the CCI in Europe, through sectoral and national analyses. Constructing datasets from the Structural Business Statistics and the Labour Force Survey of Eurostat the paper analyzes the effect of the crisis on the turnover, employment and number of enterprises of the cultural and creative sectors in a set of European countries.

*The Economic Adjustment of Regions*

## **EFFECTS OF SPECIALISATION ON INCOME CONVERGENCE IN CROATIAN COUNTIES**

**Katarina Bacic, The Institute of Economics, Zagreb, CROATIA**

The main topic of this paper is research on sectoral specialisation in Croatia as a post-transition economy and its effects on income convergence across 21 Croatian counties. Available data for this research run from 2000 to 2010. The paper consists of a theoretical and empirical introduction and of three empirical sections. In the theoretical and empirical overview, specialisation indices and their use are introduced as well as income convergence research. Further on in the section, an overview of Croatia's regional structure and a brief overview of its economic history since the onset of economic transition will be provided. The common traditional three sectors structure – agriculture, industry and services - is expanded to four sectors where services will be disaggregated into tertiary and quaternary and applied to county data on GDP and employment. Using these data, a statistical and economic analysis is carried out for all Croatian counties.

Further on, a hierarchical cluster analysis is carried out for all counties. Variables that will be used for clustering are sectoral employment across all observed sectors and county GDP per capita. The clustering procedure is applied both for the initial year – 2000, and the final year – 2010. Using dendrogram analysis, counties will be grouped into a proper number of clusters and further on, common development characteristics will be identified. The purpose of this analysis is to answer the question “What types of specialisation are associated with higher GDP per capita across clusters and vice versa and also, do counties with large cities share common sectoral and development characteristics?” Using data on cluster membership, counties are mapped also to check whether geographical patterns of clusters exist in the observed years along with the sectoral pattern.

In the third section, the specialisation coefficient and the inequality of specialisation index are computed for all counties and for the identified clusters using the full period data. The results should be conclusive as to the question of whether the overall specialisation of counties and counties has either increased or decreased. The other question to be raised using these results is whether sectoral structures of counties and clusters are becoming more similar.

The aim of last section of the paper is to establish whether specialisation plays a role in income convergence of counties. In other words, the goal is to check whether convergence can be observed and what types of specialisation can explain the convergence. An appropriate convergence model will be selected and used on county panel data.

**David Bailey, Aston University, UK**

**Jonathan Cook and Simon Pringle, SQW Ltd, UK**

The literature on economic shocks identifies that there are different ‘moments’ in shocks, which can affect their process and development. These ‘moments’ include: foreseeing shocks; seeking to influence the decision-making of businesses in order to prevent a shock; implementing mitigating actions to reduce the effect of a potential shock; actions during the process of a shock; and responses in the aftermath, either in the short-term or long-term. The process of shocks and the opportunities for action are dependent on when the shock is announced and known – some can be slow-burn and foreseen, others may be overnight and sudden. Similarly, the period for impacts can span from immediate through to longer-term effects.

This paper draws on research funded by the Department of Business, Innovation and Skills (BIS) to develop a decision-making process for policy to respond to economic shocks. This is informed by good practice and lessons from previous shocks, both in the UK and internationally, drawing on consultations with thirty different agencies and a review of existing literature. The paper highlights that each shock needs to be taken on its own terms: the combination of issues in play, the potential effects of shocks, and the context within which they occur vary. Therefore, the policy framework developed in the paper is seen as a ‘decision-taking’ framework, in that policy agents need to play an active role in the process, rather than deploying standardised responses through a mechanistic approach. The paper identifies four key domains, which are important in implementing a decision-taking framework: the direct business(es) involved; the supply chains of the business(es) affected; workforce and skills, notably those workers within businesses and supply chain companies; and place and communities, covering specific land and property issues, communities and wider place competitiveness.

Drawing on a range of cases, the paper then points to a number of ‘lessons’ for determining and delivering appropriate responses. These include: instigating an appropriate mix of interventions; the importance of good intelligence; the significance and influence-ability of the issues; structures, processes and people; and resources and capacity. These issues are set in a predominantly process-based framework, but the paper also includes specific examples of what actions have worked well (and less well) from past responses, drawing on business, supply chains, people and place responses. Finally, the paper highlights that the engagement of the private sector in responding to shocks is an interesting device that policy makers and partners may wish to consider going forward, leveraging issues around brand preservation and corporate citizenship.

**Hunor Bajtalan, Babes-Bolyai University, ROMANIA**

The processes leading to international collaborations and supranational integration projects, as well as the reappearance of meso-level territorial structures, namely “regions” have swept across Europe and beyond. In this respect it is not surprising at all that in the last two-three years the question of administrative-territorial reform has become one of the most widely debated, most mediatized issues of the general public in Romania, especially after the determination of the ruling coalition to push through 2013 (in one year!) a thorough and comprehensive reform of regionalization and decentralization. Although from the public, to the academic and political spheres a wide debate emerged, yet instead of an in-depth comprehensive analysis of the question of administrative-territorial reform in Romania, the societal discourse was mainly catalyzed around the superficial studies and models proposed by various political stakeholders. This process mainly resulted in the frequent publication of several maps presenting the new administrative/territorial structure of Romania, very often generating heated, but superficial public debates. Unfortunately the negative aspects of the public debate were also mainly true in the case of the government backed reform project, which in the middle of superficiality and hasty preparation it is not surprising at all that ended up in failure. In this respect of course the following presentation does not and cannot answer to all of the above outlined questions, yet it can be

interpreted more like a reflective undertaking, which through its specific space-time perspective analyzes the question of regionalization from the establishment of the first seeds of administrative-territorial organization of the Romanian nation state until present day Romania, with a special focus on recent regionalization discourses and projects in Romania. This unique historic-geographical perspective, as well as the analysis of the heritage of the past clearly brings into new light the question of administrative-territorial reform of nowadays Romania.

#### *Innovation and Knowledge Economies*

### **THE TECHNOLOGICAL RESILIENCE OF U.S. CITIES**

**Pierre-Alexandre Balland, URU, Utrecht University, THE NETHERLANDS**

**David Rigby, University of California, Los Angeles, USA**

**Ron Boschma, CIRCLE, Lund University, SWEDEN**

We study the resilience of cities by analyzing their relative capacity to maintain the production of technological knowledge over time, especially when faced by major adverse events such as war and financial crises. Using patent applications in 366 Metropolitan Statistical Area in the United States from 1975 to 2002, we describe and analyze their vulnerability and responses to technological crises.

The growth in production of new technological knowledge does not follow a linear trend. Innovation dynamics is more complex, chaotic and cyclical. Innovation dynamics is indeed based on sustained periods of positive growth followed by sustained periods of negative growth. We define events of technological crisis as sustained periods of negative growth in patenting activity. More formally, a time series recording yearly patenting activity can be defined as a series of local maxima (peaks) and minima (troughs) that divide the series into periods of technological growth from trough to peak and technological crisis from peak to trough. We observe that the frequency, intensity and duration of these events varies enormously across cities.

We want to estimate how technological flexibility influences the resilience of cities. Resilience of cities is empirically operationalized as the capacity of a city to (1) generally prevents falling in technological crises. If a city experience a crisis, the resilient city will (2) experience a lower drop of innovation output during the crises and (3) recover more quickly. Therefore, we regress three set of resilience indicators on the technological flexibility of cities, which is captured by the average relatedness of a city's technological portfolio to technologies that are not yet in the city. We also control for a range of important characteristics of cities (employment, population density, inventive capacity, technological growth rate, technological specialization) and important adverse events that have strongly affected the U.S. economy during the period of investigation (oil crisis, black Monday, the gulf war and the dot come bubble).

Although we find that technological crises are generally related to major shocks such as war or financial crises, our econometric estimations strongly suggest that the knowledge structure of cities conditions their resilience to crises. Cities with a flexible knowledge structure, i.e. cities with the ability to replace old technologies and to restructure their economy tend to avoid crises, limit output drop and recover more quickly.

#### *Labour Markets and Migration*

### **INTERNATIONAL STUDENT MIGRATION FOR DEVELOPMENT: AN INVESTIGATION OF A NORWEGIAN SCHOLARSHIP INITIATIVE CONCEPTUALIZED AS DEVELOPMENT AID**

**Scott Basford, University of Tennessee, USA**

International student migration (ISM) is one of the fastest growing yet least understood components of migration worldwide. While universities across the developed world are increasingly recruiting international students to supplement declining state budgets, Norway continues to offer foreign students free tuition. In addition, it operates four scholarship programs for third country nationals to help defray its high cost of living.

This paper examines the objectives of various stakeholders of Norway's Quota Scheme, a scholarship program for students from developing countries. In a recent special issue of *Population, Space and Place*, King and Raghuram call for research to "decentre the student as the object of study and instead recognize the multiple players who simultaneously invest in, and gain from, international student migration." Also, Jannecke Wiers-Jenssen, a research professor at the Nordic Institute for Studies in Innovation, Research, and Education, proposes research that investigates the conflict between the retention of foreign students and development policy objectives. I will address these calls through an investigation of the Quota Scheme.

This paper explores the following question: What are the objectives of the Quota Scheme for its various stakeholders? I explore this question through 26 interviews with 31 stakeholders at multiple scales of involvement in the Quota Scheme. Whether in terms of attracting foreign talent, preventing the loss of human capital, or pursuing development initiatives, it is vitally important for policymakers to understand the full range of influences on student migration decisions. Only by recognizing the broader range of influences that regulate the ISM process can appropriate planning mechanisms emerge. My research indicates three broad findings for discussion. First, variant student and non-student actor objectives contribute to divergent program outcomes for individuals.

Plainly, not all stakeholders are invested in achieving return migration. Second, disparate planning mechanisms, particularly at institutional and departmental scales, result in an unevenness of opportunities for students. Institutions and departments with better structured plans for Quota Scheme students were more likely to send them back home. Those with more haphazard arrangements produced students who at the very least desired staying abroad. Third—in part as a result of the preceding findings—students often struggle in making migration decisions following graduation. Whether an individual ultimately makes a decision to remain in Norway, migrate elsewhere, or return home, it is likely she had some conflicting feelings about doing so. These results draw focus to tensions between actors that contribute to widely fluctuating migration decisions among students. In particular, I highlight that investor intentions and material realities conflict as often as they coalesce.

*Geographies of Global Finance*

## **UNVEILING FINANCIALIZED CIRCUITS OF VALUE: A DISSECTION OF THE WORLD CITY ARCHIPELAGO**

**David Bassens, Vrije Universiteit Brussel, BELGIUM**

**Michiel van Meeteren, Ghent University, BELGIUM**

This paper analyzes the necessity of the world city archipelago (WCA) for the practices that enable and sustain financialized globalization. The politics of normalizing WCA space has become acute as competition in distressed markets requires access to WCA space to secure capital accumulation for share- and bondholders. Within the world cities literature there is a longstanding debate whether analyzing world cities and their networks implies reification. We argue that identifying the WCA as a socio-spatial structure is not a matter of reification, but an acknowledgement of the emergent properties of this scale as it is produced by socio-spatial practices related to its territorial, scalar, place, and network properties. We unveil WCA space by studying the space of advanced producer service practices in three recent cases of Eurobond issuance. These practices reveal the borders and internal geography of a financialized accumulation space. This space corresponds to world cities as spaces of dependence, but also stretches out to various spaces of engagement at its fringes: offshore jurisdictions and places of debt origination. We conclude by making the case for a heightened sensitivity for core-periphery structures that exist both between the entire WCA and its outside, but also within the WCA itself.

**THE GMR-TURKEY MODEL AND ITS APPLICATION FOR THE IMPACT ASSESSMENT OF ALTERNATIVE REGIONAL POLICY OPTIONS**

**Mete Basar Baypinar, Istanbul Technical University, TURKEY**

**Attila Varga, Peter Jarosi and Tamas Sebestyen, University of Pécs, Faculty of Business and Economics, HUNGARY**

The GMR-Turkey model is a recently developed model for policy impact assessment for Turkish regions. GMR (geographic macro and regional) models are designed for estimating the impacts of regional policies both at the regional and the macro levels. The paper describes the structure of the model system, introduces sensitivity results and provides impact assessments of alternative regional policies for Turkey. The first alternative is a conservative development addressing traditional industry investment support as well as transportation infrastructure development while the second one focuses on technology-based development including financial support for education, research networking, R&D and an alternative transportation infrastructure plan.

*Special Session 12: Industry Restructuring*

**REGIONS AND STRUCTURAL ADJUSTMENT IN AUSTRALIA**

**Andrew Beer, The University of Adelaide, AUSTRALIA**

Australia's economy has experienced profound change over the last decade in response to the new opportunities generated by the expansion of the mining industry, the strength of the Australian dollar and on-going competition within global markets. The new economic environment has resulted in the decline of industries and the loss of employment from high profile enterprises, including Bluescope Steel, Bridgestone Tyres, Ford Australia and Mitsubishi Motors. Further change is likely with the announced closure of Ford Australia's plants at Broadmeadows and Geelong, restructuring in the food processing sector and a decline in some parts of the mining sector – including mining services. Large scale redundancies often result in structural adjustment packages that seek to reduce unemployment and encourage the economic revitalisation of the affected region. Such arrangements have been criticised (Daley and Lancy 2011) and there are a number of questions around the nature and effectiveness of adjustment instruments, the impact on the community and how places are able to respond. Despite these criticisms, structural adjustment measures are commonly used across Australia and, depending upon definitions, more than \$57bn has been committed to these programs over the past 12 years. New structural adjustment programs continue to be rolled out, while other industry sectors continue to call for assistance and/or support. This paper sets out to evaluate the outcomes of structural adjustment programs in Australia. It considers the impact of these schemes on the target communities, including those made unemployed, and whether there is the possibility of identifying better solutions to the challenges confronting communities undergoing change.

*Tourism and Experience Economies*

**SPORT TOURISM AND LOCAL DEVELOPMENT: APPROACHES TO GOLF**

**Nicola Bellini and Anna Loffredo, Scuola Superiore Sant'Anna, Pisa, ITALY**

**Serena Rovai, La Rochelle Business School, FRANCE**

This paper analyzes the role of sport tourism as complementing the destination strategy of a tourist area. It is based on a case study developed for the Island of Elba (Tuscany, Italy). Firstly we discuss the expectations about tourism in local economies, the measured impact of activities and events and how sport tourism may be consistent especially with local development strategies of "smart specialization", internationalization and desasonalization. Secondly, we discuss the opportunities created because of the specificity of supply and demand in some sports, like golf in this case study. This implies that destination managers must take care of a

number of complementary choices concerning “external” factors (from infrastructures to education) and the overall tourist package that is required by a specific market segment, such as golfers. Thirdly we discuss the implications for place marketing and tourist promotion.

*Special Session 4: The Green Economy, Knowledge Dynamics and Regional Development Policy*

**POLICIES FOR NEW FORMS OF URBAN MOBILITY IN THE GREEN ECONOMY: AN ASSESSMENT OF CHALLENGES AND OPPORTUNITIES IN THE EUROPEAN UNION**

**Nigel Berkeley, Centre for the International Business of Sport (CIBS), UK**

Urban mobility is still heavily dependent upon the use of conventionally-fuelled vehicles, with consequent and well-rehearsed impacts on air quality and health. Yet, whilst new technologies have emerged in recent years that enable us to travel in more smart and sustainable ways, the take up and adoption of ultra-low carbon forms of transport has been slow. This is despite the fact that governments globally have introduced a range of supply and demand measures to support the transition to a green mobility and stimulate the design, manufacture and take-up of hybrids, fuel cell and especially electric vehicles (EVs). Such measures have included: research and development grants, investment in charging infrastructure, purchase grants, tax rebates, free parking and free recharging; alongside penalties for purchase of higher CO<sub>2</sub> emitting vehicles. Sales of electric vehicles (EVs), despite some encouraging signs in 2013, have been extremely sluggish, with the market overall failing to spark into life in any sustained way. In Europe, for example, fewer than 40,000 electric cars were sold in 2013, an overall market share of just 0.3% and way short of the volume and trajectory required to realise the EU's goal of achieving a stock of 20 million by 2020. This paper presents and analyses data on the EV market in the European Union and examines why demand to date has been so weak, considering factors such as: upfront purchase price and whole life costs; lack of awareness of EV technology; limited vehicle product range; perception of performance/quality; perceived availability of supporting infrastructure; and improvements of emissions in internal combustion engine vehicles stimulating demand for small cars. In addition, directions are provided as to how this situation can be reversed, for example through improving the visibility of EVs through subsidies for large public and private fleet owners; better pricing, performance, style and choice; more holistic incentive packages; and improved marketing, knowledge dissemination and awareness raising. The paper also considers whether lessons can be transferred from Norway where EVs sales in 2013 achieved a remarkable 5% market share; or whether this is an isolated and unique success story. Ultimately it is argued that overcoming barriers to uptake is not receiving sufficient policy attention but is critical given the role that EVs can play in the sustainability of cities and regions at all scales. Slow progress is equally being made in successfully delivering innovative solutions such as electric taxi schemes, bike schemes, park and ride, car-sharing and car-pooling that arguably facilitate a more inclusive form of sustainable mobility. This issue is in part connected to a poor understanding of consumer behaviour in relation to personal transport choices (the whole journey cycle). As such it is argued that there is a critical need to better understand behaviour in order to make sustainable transport modes not only acceptable but inclusive, mainstream and unconsciously embedded in our daily lives.

*Territorial Governance and Regional Leadership*

**BETWEEN GLOBALIZATION AND TERRITORIAL FRAGMENTATION: CITIES AS FRICTION SPACE- A CASE STUDY OF BRUSSELS**

**Marion Berzin, Cosmopolis/CNRS ADES UMR 5185, BELGIUM**

Since the beginning of the 20th century, Belgium progressively went through a process of deconstruction of the nation-state mainly through the ethnicization of its territorial administration. The raise of nationalist and regionalist movements in Flanders and Wallonia respectively, contributed to redraw its political map. It went from being a centralized, united and French-speaking country, to be, officially in 1993, a federal state composed of three cultural communities (French, Flemish and German) and three regions (Flanders, Wallonia



and Brussels-Capital). In this process of fragmentation, Brussels emerged as a friction space between the Flemish and the French-speaking community. The resulting conflict can be easily grasped today through its institutional setting as a city: While both the Frenchspeaking and Flemish community govern its population, Brussels is itself a region with territorial competences. Looking at this situation from the local and global perspectives, the observations are twofold. On the one hand, its complex institutional organization contributes to political, social, territorial, and cultural fragmentation through the ethnicization of its population. In other words, it creates a divide between Brussels' inhabitants on the basis of their affiliation to one or the other community- e.g. the whole education system of Brussels is community-run. On the other hand, Brussels is a city fully inscribed in the globalization' process. Eric Corijn et al. remind that: Brussels is a highly connected city, located at the heart of Europe. The GaWC (Globalization and World Cities, 2000) listed Brussels in seventh place among European cities. (Corijn and al., 2009) At this level, Brussels in an attractive city for different types of migration flows. Of the 1 048 491 Brussels' residents in 2008, about 30% were foreigners, whereas 50% did not did not have an immediate Belgian point of reference.

In my view, Brussels can be analysed as a friction space between formal stakeholders (political parties) who want to maintain the city as a projection of national political spaces (Belgian, Flemish or French-Speaking) and the diversity of Brussels' inhabitants. This friction space promotes the emergence of an unseen democratic initiative elsewhere: the Brussels' Civil Society initiative. In the context of a friction space between ethnicization and globalisation the Brussels' Civil Society attempts to rethink two key issues: citizenship and the governance of spaces. Regarding the former, looking at Brussels' institutional setting from a global perspective reveals its democratic deficit. The national conception of citizenship does not fit its reality of a cosmopolitan city since a great part of its population lacks political representation. The Brussels' Civil Society has come up with a proposal to rethink "City-zenship" on the basis of the idea of cosmopolitanism.

In term of governance, the Brussels' Civil Society lays down an innovative proposal: to look at Brussels in terms of node of a global cities network. Brussels would join a network of projects transcending Belgian regional and national boundaries. More precisely, Brussels is advised to establish a cooperation network with its metropolitan area and the five main Belgium cities– Antwerp, Charleroi, Liege, Ghent- to better bit in the global network of cities. What does this case bring forth in terms of geographical and territories analysis? In my view, it shows that the political and community crisis of the Belgian nation-state raises the question of new forms of territorialisation of power and identities. I eco here the idea developed by François Ost and Michel Van de Kerchove about the paradigmatic transition from a pyramidal model (nation-state) towards a model of networks. Brussels as a space of fiction can further be characterized as a transitional space situated between nation-states and global spaces of flows.

#### *Special Session 8: Functioning of the Customs Union between Turkey and the EU*

#### **FREE TRADE IN HARD TIMES. COMPARING EU AND TURKISH CRISIS-ERA TRADE POLICIES**

**Yelter Bollen and Ferdi De Ville, Centre for EU Studies, Belgium**

At the onset of the crisis, many economists and politicians issued shrill warnings about looming trade wars. As far as most observers can tell, however, free trade has remained more or less unscathed since the start of the global financial & economic crises in 2007. Using a large set of indicators through 2012, we provide further evidence of trade policy quiescence. Further, we investigate whether these general conclusions hold for the EU and Turkey. We compare their policies and weigh the relative importance of some hypotheses that try to account for their respective trajectories. We end with some words of caution, as it seems recovery will remain slow and uneven for years to come while what remained of the embedded-liberal compromise is being rid of. These tensions may yet erupt.

**PLACE BASED POLICIES VS. PLACE BASED POLITICS - FUNCTIONAL AREAS AND THE PRACTICE OF MULTILEVEL GOVERNANCE**

**Maciej Borsa and Magdalena Belof, Institute for Territorial Development, Wroclaw University of Technology, POLAND**

In 2009 Fabrizio Barca introduced the concept of place-based policy as a new model for economic development of EU. The intention of the “Barca Report” was to start the Europe-wide debate on long-term strategy which would aim at better utilization of specific potentials of places through public interventions carefully tailored to context, the change of institutional modes and the use of multilevel governance model. Indeed, the Report triggered broad and dynamic discussion among policy makers, mostly at national and regional levels which was mainly focus on possible alternative mechanisms and tools that could be adopted for managing the policies within a new EU programming period 2014-2020, taking into account the possibility of diversification of the approach: from place-neutral to place-based one. The word: territorialisation became almost a mantra of bureaucratic jargon along the EU for several years.

The paper examines the debate on territorialisation of policies in Poland and particularly in Lower Silesia region, that preceded the process of preparation to the new programming period and its major effects. Poland is one of the countries where “Barca Report” was enthusiastically welcomed, particularly on regional level. The territorial approach has dominated the early phase of discussion on the 2014-20 EU programming period. But later on the political practice proved that implementation of Barca’s ideas is not simple. In particular the paper explains to what extent the regional policy mechanisms are being transformed in accordance with the guidance included in Barca Report, and in particular:

1. How the “place” has been understood in the paradigm of “place based” policies?
2. How much the regional policy priorities have been concentrated on core areas and tailored to the features and needs of specific places and what criteria have been adopted to select the places for funding allocation?
3. What kind of actions have been undertaken to include local preferences and knowledge in the strategic goal setting?
4. How the contradiction between administrative and geographical or functional borders have been weakened?
5. What is the effects of institutional change e.g.: have the new institutional formations been created to address in best possible way the local needs and conditions? What methods have been used to facilitate coordination between “horizontal” policies within the particular “places”?
6. How much the new approach fights against the present system weaknesses, such as: a deficit of strategic approach, the lack of political debate, tailoring the operational programmes after financial allocation decision.

Barca has urged in his report that the place-based policies would be “complex and risky”. Therefore the intention of this paper was also to investigate if the idea of place-based policy remain vibrant or rather faded away with time. Have the regional attempts to follow the principles of place, so eagerly announced few years ago been consequent and at the end successful? We also try to answer the question: which mechanisms favor the implementation of this model policy and which are the greater barriers in existing political and administrative system? The thesis we post here is that the financial factors and EU regulations are inevitably crucial, however at the regional level we must not ignore the influence of political pressure and administrative habits. Also the definition of “place” remain somehow vague.

## **SUBCONTRACTING RELATIONSHIPS IN CREATIVE CLUSTERS: EVIDENCE FROM ROTTERDAM-BASED FIRMS**

**Caterina Branzanti, Politecnico di Milano, ITALY**

In the last two decades, an ever-increasing stream of researches has directed the attention towards formal and informal networks, intended as prominent organisational structures to arrange working

activities in the creative industries. In many cases, these systems of interaction result in the spatial concentration of actors involved, giving rise to local productive clusters, dominated by the established practice of subcontracting-out part of the production process. The literature identifies a plethora of manifest macro reasons to justify such inclination to externalise. First of all, size matters. In this sense, the market is primarily characterised by small, micro enterprises and freelancers, a condition that drives an extreme specialisation of firms, in terms of functions, skills and responsibilities in the delivery of creative outputs. This organisational structure has progressively turned the typical in-house production into the established practice of subcontracting-out the vast majority of activities, creating an interdependent externalised supply-chain, in many cases supported by a certain degree of spatial concentration. Secondly, creative industries are congenitally involved in the production of complex outputs, requiring a number of different skills and competences, to cope with a set of multi-disciplinary tasks. In this scenario, firms become embedded in networks and take advantages from the possibility to concentrate on core capabilities, seeking additional resources in other firms. Thirdly, the practice of outsourcing allows to share risk among all subcontractors involved in the trusted network, which reduces the exposition of firms to market uncertainty.

The purpose of this research is to further explore subcontracting relationships that take place among creative firms in a context of spatial proximity, with specific reference to the volume of local transactions and motivations that drive the choice to externalise. The study draws on a survey analysis conducted among 101 creative firms, located in Rotterdam, a recognisable cluster for architecture, design and media. The survey consists of three main phases. The first is to determine the magnitude of local subcontracting exchanges, verifying the existence of a local supply chain. Secondly, it is intended to define the degree of quality of local subcontracting relationships, namely the existence of a productive milieu, based on trust, shared core values, technical capabilities and innovation. Thirdly, it examines the reasons behind the choice of seeking external resources and whether they are linked to externalities of district economies. Results obtained contribute to a larger understanding of cooperation in creative clusters, by exploring both the local supply chain and the determinants that influence the decision of creative firms to contract out the production of intermediate inputs.

## **ALTERNATIVE PERSPECTIVES ON RURAL DEVELOPMENT AND GROWTH**

**Lotta Braunerhielm, Eva Olsson and Lars Aronsson, Karlstad University, SWEDEN**

What picture of Urban and rural areas that are marked are central. During the last decades the city has been seen as the area of possibilities and rural areas as "the problem". Our thesis is that urban areas have possibilities for social and economic innovations in cooperation with the city if you take a different perspective on growth than the generally used perspective. This includes everything from resources, products, services, social entrepreneurship to aspects of living environment. How can for example experience-based competence, social relations, living areas and lifestyle-satisfaction be upgraded? How can you develop areas and use different combinations of social, economic, cultural and symbolic capital? A widened definition of growth includes robust social, economic but even ecological dimensions. Our main purpose is to study a perspective of possibilities for the growth of periphery in cooperation with the city. The purpose has a strong connection to the goals of Europe 2020 concerning development and especially the alternative way of looking at growth.

Our study focuses on Sweden and Norway. The countries have different circumstances because of different regional policies, laws and cultures etc. There is cooperation and dynamics between the continuum city -

periphery, for example concerning widened labor market areas. The area of our concern is placed in the tension between the capital Oslo in Norway and the region center Karlstad in Sweden. What does this mean for the peripheral area in between? Our purpose is to identify possibilities and needs which will end up in new strategies for economic and social development which in the long run can result in better support end basis for political decisions as well as basis and support for regional political actions. We also anticipate that the use of an alternative definition of growth will give unexpected results and effects compared to the dominant definition of growth. Our goal is furthermore that our research will contribute to social innovations and social entrepreneurship which will be debated and which will feed politicians with arguments for sustainable development. The project is based on earlier research and cooperation with Cerut from Karlstad University and Ostlandsforskning from Norway and is partly based on results from earlier studies. This project will form the basis for further studies in order to utilize and strengthen border region's collective resources, and linking together urban and rural areas across the border.

## **LEVERAGING THE LONDON 2012 PARALYMPIC GAMES TO PROVIDE OPPORTUNITIES FOR PEOPLE WITH DISABILITIES**

**Ian Brittain, Centre for the International Business of Sport (CIBS), UK**

Despite the fact that there has been a large body of work produced over the last decade or so that has examined major sport event legacies and event leverage, largely with respect to the Olympic Games, Misener et al claim that 'few studies have evaluated the comparative outcomes, legacies and event leverage that the Paralympic Games have generated' (2013; p.1). This is despite the fact that, in many ways, the Paralympic Games, and their forerunners the Stoke Mandeville Games, were actually founded upon the basis of a kind of 'legacy plan' designed to improve the lives of people with disabilities. Their founder, Sir Ludwig Guttmann, had three core aims i; improving the health of people with disabilities in order to improve their day to day living, ii; to use sport to help develop an active mind, self-confidence, self-dignity, self-discipline, competitive spirit and camaraderie, all of which are essential in helping to overcome the all-consuming depression that can occur with sudden traumatic disability and iii; to create a better understanding between people with disabilities and their non-disabled peers that then aids in their social re-integration through the medium of sport. Indeed the message below the Stoke Mandeville Games flag in the 1950s included the line 'No greater contribution can be made to society by the paralysed than to help, through the medium of sport, to further friendship and understanding amongst nations' (Brittain, 2012; p. 15). All three of these still form the core aims that were included in the London 2012 Paralympic legacy plans. However, there has been virtually no academic investigation of whether the Paralympic Games actually helps achieve these aims or not.

This paper will investigate what impact, if any, has occurred so far in London and beyond as a result of the London 2012 Paralympic Games and the unprecedented media coverage it received based upon government and newspaper reports as well as investigations carried by sporting bodies and disabled charities in the time since the Games ended. The author will also draw on his own personal experience and knowledge having attended the last four summer Paralympic Games from Sydney 2000 to London 2012 and researched in the field for nearly 15 years. The paper will also look at some external factors such as changes to the benefits system carried out by the government since the Games and the way media coverage of these policy changes may have affected the overall impact generated by the London 2012 Paralympic Games. Overall the impact of the Games would appear to have been generally positive, but it should also be noted that mega-events such as this do not take place in a vacuum and so no matter how well legacy is planned for external factors beyond the reach and vision of the organisers may well hold the key to exactly how successful those plans are in the long term.

## **LAND USE CLASSIFICATION AND ECONOMIC TYPOLOGY OF LOCAL TERRITORIAL UNITS IN POLAND**

**Robert Buciak and Marek Pieniążek, Regional and Environmental Surveys Department, Statistical Office of Poland, POLAND**

In Poland, progressive changes in functional structure are observed, especially around big cities. Typical agrarian activities are replaced by housing, tourist, and industrial functions. Currently, a division on urban and rural units based on administrative criterion is applied in Polish official statistics for the presentation of data. This study aims to establish two standards of division of territorial units of Poland based on statistical data. First is land use classification and second is economic typology.

Spatial typologies of rural areas are commonly based on population density. However, population density correlates highly (0.94) with share of build-up and urbanized areas in total used land at the local territorial unit level. Therefore, population density could be substituted by land use. This change allow us to distinguish cities and diversify rural areas to agricultural, forest and partly-urbanized classes. Build-up and urbanized areas are based on the legal status of the plots and include residential, industrial, urbanized non-built-up, recreational, transport, mining and other build-up areas. Land use classification of local administrative units in Poland distinguishes 7 classes: a) urbanized; b) forest, partly urbanized; c) agricultural, partly urbanized; d) intensively agricultural, partly urbanized; e) forest; f) agricultural; f) intensively agricultural. We recognized and analyzed 32 cities (3.5% of the total number of cities) which are classified in non urbanized classes and 18 rural units (0.8% of the total number of rural units) that belong to urbanized class. The urbanized rural units either lie near city in suburban area or there is a sizeable open pit mine within unit's border.

Socio-economic typologies of rural areas are commonly based on different criteria in the field of demography, labour market, agriculture, infrastructure, enterprises, tourism etc. These scientific conceptions are mostly detail or contain types with a small number of individuals. Therefore they rarely could be use in statistical surveys. Our work demonstrate the procedure which led us to project a typology of local administrative units in Poland, which is based on commonly used indicators and satisfies the condition of suitability to the surveys. The economic typology was based on several data sources: the number of entities of the national economy, the number of persons employed in particular sections of ISIC, Rev.4, the purpose of the production of agricultural holdings, the number of the population divided into economic age groups, the number of bed places in touristic facilities. As a result 6 types were differentiated by means of the hierarchical method: tourist, agglomeration, production, agricultural with high-scale of market output, agricultural with low-scale of market output and mixed. Finally, the values in main statistical measures for new groups of units were calculated. We have analyzed location of territorial units of each type on a map. It shows differences in the degree of economical suburbanization around large cities between western and eastern part of Poland.

## **RESILIENT COMMUNITIES OR ROBUST REGIONS? DISCOURSES AND PRACTICES IN NORWEGIAN REGIONAL POLICIES**

**Oddbjørn Bukve, Sogn Og Fjordane University College, NORWAY**

Norway is one of the least densely populated countries in Europe, with an average of 15,5 inhabitants per square kilometer. As a consequence there are many relatively isolated communities in the rural parts of the country. This situation creates a particular challenge for regional policies discourses and practices, since a straightforward implemetation of concepts and policy frameworks developed in other contexts is not necessarily fruitful. The paper presents some of the main approaches to regional development in Norway during the last decades, and discusses how they are related to concepts and policies advocated in the international scholarly and policy-oriented discourse. It also tries to judge the practices and outcomes of particular policies which are based on these concepts, and discusses possible directions for future regional policies.

Methodologically the paper builds on a combination of analysis of policy documents, existing evaluations of policy programs and own case studies. Theoretically it builds on institutional theory, viewing practices as products of cognitive framing and institutionalized regulations, together with the actors' positions and relationships within a field.

The paper identifies two broad strands of development programs, one focusing at the community level and another focusing on wider regional systems. Both are rooted within the paradigmatic shift from redistributive to innovative policies and from hierarchical to network models of organization.

Within the first strand the paper places programs aiming at the restructuring of declining manufacturing communities, rural development programs and programs for place development. Most of the programs address communities in peripheral areas. The experiences with those programs are mixed, but taken as a whole they have not been able to counter the decline of the periphery. The reasons for this is discussed related to the discursive framing and policy measures which are built into each of those programs.

Development of regional clusters and innovation systems has been the dominating approach also in Norwegian regional policies after Porter. The most recent assessments, however, point to some problems when applying this approach in a Norwegian context. There is a problem of scale, and empirical studies show that networks and clustering in important industries are at national and global levels rather than the regional. The development of functional city regions and labor markets regions is also discussed. Compared to the other program types, policies directed towards development of such regions have been both fragmented and contested. In spite of this, most of the growth in population and employment seemingly take place in those core regions. Even in the periphery, integrated labour market regions around small cities show a considerable growth. The evidence so far points to strengthening of functional regions around small and medium sized cities as the most promising way to promote decentralized growth.

#### *Innovation and Knowledge Economies*

### **GAME ON! THE NEMOG PROJECT AND ITS SIGNIFICANCE FOR THE DIGITAL GAME INDUSTRY IN THE UK**

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The digital games market is an enormous and fast-growing industry with extraordinary impact, particularly on young people and increasingly on other segments of the population. The importance of the UK games industry (3rd largest in the world) was underlined in the Chancellor's Autumn statement (5th December 2012), which confirmed substantial tax reliefs for the digital games industry, saying that "the Government will ensure that the reliefs are among the most generous in the world".

According to Tierney (2010), by the age of 21 the typical child has played 10,000 hours of digital games. Every action in an online game, from an in-game purchase to a simple button push, generates a piece of network data. This is a truly immense source of information about player behaviours and preferences. If only a small fraction of the games industry works to realise these benefits, the billions of hours of games played each year could lead to massive societal and scientific benefits. This is exactly what the NEMOG project intends to do.

Funded by a £1.2 million research grant supported by the ESRC funds, NEMOG stands for New Economic Models for Opportunities for digital Games. In the next three years, researchers from four British universities (York, Northumbria, Cass Business School and Durham) will explore and examine different types and streams of online data, investigating the issues around gathering such data and developing new algorithms to "mine" that data to better understand game players as an avenue for making better games, societal impact and scientific research. In their quest, researchers are supported by consortium of 20 businesses and organisations operating in the UK digital games industry. It is a colossal opportunity to bring these high-tech businesses closer to scientists and healthcare workers to unlock the potential for scientific and social benefits in digital games.

The NEMOG project shows an ambitious programme, but the potential benefits if we are even partially successful could have a huge impact on children, science and wider society. For example, it will be possible to test economic theories by analysing the artificial economies in online games, or to improve the motor skills of recovering stroke patients by using games based on motion detection devices such as the Wii controller, Kinect or simply the mobile phone. In addition, given that the industry is characterised by high volatility and velocity, researching into sustainable business models for digital games will provide solutions for practitioners and policymakers particularly for games with scientific and social goals. These will indicate how businesses can start up and grow to develop a new generation of games with the potential to improve society.

The aim of this paper is to introduce the aims and objectives of the NEMOG project and to discuss them in relation to economic and social opportunities that digital games can create at regional and sub-regional levels. In particular, the paper analysis the growth of digital games clusters in the light of opportunities for growth and value generation in the UK digital games industry.

#### *Territorial Governance and Regional Leadership*

### **CHANGES IN INTER-STATE AUTHORITY RELATIONS IN CONTEMPORARY METROPOLITAN GOVERNANCE: CASE STUDY OF ISTANBUL AS AN INTERNATIONAL FINANCIAL CENTRE**

**Cihan T. Cagil – University of Sheffield, UK**

Becoming an IFC (International Financial Centre) has traditionally held strong appeal for many countries and particularly, in more recent years, for more advanced emerging economies. For both cities and countries, it is not only an ambition to command and control the financial transactions at an international level, but also to hold the prestigious title of “global city”. Since the late 20<sup>th</sup> century, scholars have created a theoretical framework about global economies and their effects in cities (Friedmann, Sassen). However, the relevant literature is mostly based on the qualifications of the cities, and lacks information about the processes of world city planning.

During the past decade, Turkey has been considered one of the fastest growing economies among the developing countries. Based on its significant economic growth, the idea of becoming a dominant regional economic power has been mentioned by the central government and solid applications have begun. One of them is the IFC-Istanbul project which intends to create an image for Istanbul, the largest city of Turkey, as an international financial centre.

On the other hand, since the beginning of the debate, the local, national and international actors have shown their intentions to participate actively for this process, and being actors for a collaborative planning and policy making process in the Istanbul metropolitan area. This sophisticated structure of planning policy and implementation reveals another argument about the changing role of authority and inter-state relationships since the beginning of the integration process of Turkey to global economic dynamics.

This research intends to examine the network of relations between the central and local government branches, private institutions at the international and local level as well as non-governmental organizations and other possible stakeholders. This research explores the extensive literature between globalization (Sassen, Lizieri), contemporary mega-city governance (Salet, Albrechts) and re-scaling of the state (Jessop, Brenner), identifying the present situation of Istanbul as a candidate for a global command centre for financial activities. The research methodology is then explained for creating an understanding of power relations in planning policy and practice to answer the research questions in this proposal.

Furthermore, it is intended to contribute to policy making and academic debates on planning and rescaling of the state by concentrating changes in inter-state authority relations in contemporary metropolitan governance. The research topic is motivated by the political importance and the role of the authority during the integration process of global economic dynamics.

To sum up, this study makes an empirical contribution to work on contemporary planning policy and implementation within the social sciences. It offers a model that explains how metropolitan governance in a regional (a candidate for 'global') financial centre contributes to the contemporary mega-city planning process. Also the case study work combines the policy making and implementation processes of city and regional planning, with particular emphasis on the effects of spatial planning implementations. Theoretically, this study contributes to debates about the changing role of the state and its authority in mega-cities during the global integration process of a developing country.

#### *Borders and Cross Border Cooperation*

### **CROSS BORDER CITY-REGIONS BEYOND NATION-STATES: BASQUE & ORESUND COMPARATIVE CASES**

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**Fredrik Björk, University of Malmö, SWEDEN**

City-regions (Scott 2001, Tewdwr-Jones 2000, Ward 2007, Harding 2007 and Harrison 2013) are widely recognised as pivotal societal and political-economic formations, key to national and international competitiveness and rebalancing political restructuring processes into nation-states, even changing their dynamics beyond and between them (Ohmae 1995, Keating 2002 and Soja and Brenner 2014).

This paper examines two contrarily complementary EU cross border city-region case studies by applying the 5-System City-Region analytical framework discussed at the RSA 2013 Winter Conference (Calzada, 2013). On the one hand, the case of the Basque Country (OECD, 2013) nationalistic city-region (Calzada, 2011) in between Spain and France nation-states reflects surprisingly low cross border territorial development strategic synergies. On the other hand, in contrast, the case of the Oresund non-nationalistic city-region (OECD, 2013) shows a highly cooperative and fluent cross-border dynamic that started in 2000.

Despite the centrality of city-regions to modern day accounts of economic success (Scott, 2011: 289), critics, including the author this paper, argue that advocates of a new city-regionalism overlook how city-regions are constructed politically (Harrison, 2007: 311; Jonas and Ward, 2007: 2119) even beyond nation-state borders (Keating, 2001: 1). Furthermore, Keating argues that globalization and European integration have encouraged the re-emergence of nationalism within established states, a notion that connects directly with city-regions. This claim has sparked a flurry of research aimed at developing understanding of nationalistic or non-nationalistic city-regionalism to avoid the ecological fallacy to suppose that what is true to some city-regions is true of all city-regions (Morgan, 2013: 1). But what has been achieved of late has been done through an explicit focus on non-nationalistic state-centric led initiatives such as those that have occurred in the UK, Germany and the Netherlands, among others (Harrison, 2010: 17).

Having said that, shedding some light on the distinction between nationalistic and non-nationalistic city-regionalism processes and according to the initial findings of the author's current research, Benchmarking Future City-Regions ([www.cityregions.org](http://www.cityregions.org)), it can be concluded that whereas some city-regions are highlighting politically driven nationalist devolution strategies (Scotland, Catalonia, the Basque Country and Iceland), others remain steady in implementing economically driven strategies (Oresund, Liverpool/Manchester, Dublin and Portland). Therefore, despite the existence of more than 300 city-regions (Scott, 2001: 1), the author argues that there is not a single model of the city-region as a whole. Moreover, this paper emphasizes that this urban regionalization process is being accelerated due to a wide range of causes: consequences of the global flows of migration and commuters (Oresund), nation-state devolution processes (Scotland, Catalonia, Basque, Liverpool and Manchester), internal democratic regeneration (Iceland), and socio-economic transformation (Dublin and Portland).

Amidst the findings of the aforementioned on-going Benchmarking Future City-Regions ([www.cityregions.org](http://www.cityregions.org)) research project, the paper focuses only on the two EU cross-border city-regions: one nationalistic, the Basque Country city-region, and the other, non-nationalistic, Oresund city-region, by applying comparatively the 5-System analytical framework to stakeholders that deal with the cross border cooperation and social innovation processes beyond nation-state borders (Martinelli, Moulaert and Novy, 2012: 18).



Hence, some preliminary conclusions: while the Basque Country city-region is supposedly driven by a nationalistic city-regional strategy via its POLIS system, in reality the territory presents overlaps and the urban governance model is inefficiently coordinated among the administrative entities, which shows a lack of cross-border synergies. This city-region consists of three administrative entities with cultural, linguistic and social ties that could be converted in a potentially efficient cross border cooperation EU hub. However, due to nation-state centralist visions and a narrow and weak strategic vision of regional policy making, the territorial pattern remains stuck. Further cooperation should be encouraged for entrepreneurial city-regional activities. The CYBER system, which is the relational system, reflects many boundaries to enable a shared and common territorial strategic vision.

In contrast, since 2000, the Oresund city-region has developed highly dynamic cross border cooperation via its CYBER system, by setting up a Copenhagen-Malmö-centric spatial hub without being driven by any nationalistic view until now. Insofar as endeavours of cross border cooperation have been based on physical connectivity, Oresund has achieved a non-precedent status when referring to the EU bordering realm. Nevertheless, after the fieldwork research, the author has noticed a decreasing slowdown of the POLIS system cooperation between two nation-states, due to the administrative hindrances caused by low yield and new territorial inequalities (Haselsberger, Walsh, Herrschel, 2014: 4).

However, the paper leaves some pending questions for further research discussion: Are non-nationalistic cross-border city-regions in a better position than nationalistic ones to reach more fluent cross border cooperation beyond their respective nation-states? Paradoxically, it is not clear yet how relevant it can be for a cross border cooperation to be fuelled by any nationalistic view. Or alternatively, are both cases, Oresund and the Basque Country, two sides of the same coin that are contrarily complementary?

*Entrepreneurship, Enterprise and Business Climate*

#### **OFFSHORE OUTSOURCING AND BACKSHORING PATTERNS IN ITALIAN MANUFACTURING SMES: THE ROLE OF LEARNING AND LOCAL SPILLOVERS**

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**Paolo Pavone, Soluzioni Per Il Sistema Economico SpA, ITALY**

The aim of this empirical study is to disentangle the factors influencing the decision to engage in offshore outsourcing activities, evaluating their impact on the ability to retain cross-border links with foreign suppliers over time. This analysis focuses on the effects of internal learning and local spillovers and uses data on Italian SMEs operating in manufacturing industries where the role of production internationalization has been particularly prominent in the recent past. The empirical model proposed in this paper estimates the impact of previous internationalization experience and offshore outsourcing activities engaged by neighbouring firms on the decision to relocate production activities abroad. Moreover, the analysis aims to assess whether these factors affect the stability of the international links established by the subcontractor.

The recent theoretical and empirical literature has richly described the process of international fragmentation of production and the emergence of global production networks, stressing on the key role played by these factors in the reshaping of several manufacturing systems in both developing and developed countries. A number of empirical studies have shown that production internationalization activities are beneficial for generating productivity gains for offshoring firms and enhance diversity in local systems, thus increasing their resilience potential and reducing the risk of collapse after economic or structural shocks. The core of the existing debate has focused on large firms, which often choose forms of direct participation in local companies producing abroad. On the other hand, the process leading small businesses to access to foreign production networks has generally been overlooked, given the lack of suitable firm-level data. Nonetheless, case studies and the theoretical literature suggest that these practices are extremely diffused, particularly in industrial districts where SMEs are more frequently connected with the global markets. Small firms are generally more inclined to choose light forms of production internationalization, such as international subcontracting, that involve lower sunk costs: this tendency is motivated by the limited access to financial resources and the lack of managerial abilities, which increase entrepreneurs' risk aversion. Contrary to large firms, where offshoring

strategies are often the result of a rational decision fostered by an autonomous learning process, the choices made by a small subcontractor are rarely preceded by an accurate scanning process, with proper evaluation of the available alternatives. Although previous offshore outsourcing and exporting experience can help to mitigate this issue, accessing external sources of learning can be particularly beneficial for a subcontractor aiming to connect to foreign supply chains. The presence of network effects is extremely effective in well-connected local systems, considering first movers are more likely to generate spillovers and reduce entry barriers for imitators. Although the empirical literature has already found evidence of local spillovers in exporting and offshoring activities, the role of these factors in offshore outsourcing is still debated.

This empirical study contributes to fill the existing gap by implementing a discrete choice model on a sample of Italian manufacturing firms that outsource part or all of the production process to domestic suppliers: the scope is to evaluate the firm-level and environmental factors influencing the decision to relocate these outsourced activities abroad. The effects of learning and spillovers are further inspected by estimating a semi-parametric duration model on the subset of firms starting offshore outsourcing between 2003 and 2011, in an attempt to identify the characteristics of those which succeeded in establishing long-lasting and stable links with foreign suppliers. The analysis is implemented on an innovative and comprehensive firm-level database extracted from the Italian Ministry of Economics and Finance Annual Survey (Studi di Settore). The use of this data source allows to focus the investigation on a large sample of small and medium businesses, thus unveiling a relevant shaded area of production internationalization which has been overlooked by previous empirical research. A further important benefit of this data source is the possibility to track the evolution of offshore subcontracting over time, thus allowing to identify the starting and the ending point of these activities for each of the firms included in the sample.

#### *Tourism and Experience Economies*

### **TOURISM-DRIVEN URBANISATION AND URBAN SPRAWL: CONTRADICTIONS AND CHALLENGES ON TOURISM SPATIAL PLANNING THE CASE OF THE PORTUGUESE COASTAL AREAS**

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Tourism is one of the most dynamic and important industries in the modern world. The impacts of tourism on the national economies are considerable, especially in countries such as Portugal where the weight of the agriculture and manufacturing sectors has been decreasing over the last fifty years. The growth of the tourist industry represents a positive factor for strengthening economic and territorial resilience. Tourism urbanisation can, however, become a disruptive force for a balanced and sustainable urban development. Residential tourism (tourism-related residential development) holds this type of ambivalent condition. The benefits it brings for the local development and the diversity of the regional economy are dimmed by negative side effects linked with the boost of leapfrog green-field developments and urban sprawl.

It is known that cities and urban growth have been pushed into a rapid and incremental outward expansion, generally characterized by low density residential patterns and spatially segregated land uses, which are frequently associated to unplanned or poorly-planned new developments. Coastal zones are among the territories that most witness the urbanisation pressure, the environmental risks and the functional inefficiencies that stem from a sprawling urban condition and a widespread settlement pattern. The continuing influx of people to the urban areas and the growing concentration of population along the coastline, the dominance of privately owned motor vehicles and the increment and dissemination of road infrastructures, as well as the fragmentation of land tenures and the lack of adequate land use policy tools and governance platforms are all factors that have been commonly pointed out as the main driving forces for urban sprawl. Still, tourism urbanisation and secondary homes have also been of the utmost importance, especially on the coastline strips and hinterlands of the Mediterranean countries which are intensively occupied. Although often referred, the weight and impact of residential and real estate tourism on urban sprawl has not yet been specifically assessed or characterised.

Focusing on the Portuguese coastal areas and, specifically, on the case studies of Loulé (Algarve), Tróia (Alentejo) and Óbidos (Oeste), this presentation aims at providing insights on the connection between urban sprawl and tourism-driven urbanisation, highlighting the contradictions and the challenges that arise for tourism spatial planning envisaging the integration of tourism spaces in the general conditions of urban and regional planning and regulation.

Three main questions are to be highlighted and discussed considering the ambivalent condition of tourism-driven urbanisation and the contradictions regarding a balanced and complementary integration between tourism and urban development:

The first one is the question of design and reflects upon the incompatibilities that come from the opposite natures of tourist and urban spaces. While resorts and residential tourism operations are primarily focused on leisure activities and specifically oriented towards the creation of refuge places contrasting with the pressures of daily life, the quality that intrinsically most characterizes urban space is, on the contrary, the possibility of being part of a common and multidimensional place. Moreover, the preservation of the natural resources and the landscape values also recommends the integration of tourism spaces in the existing urban structure, against the idyllic setting pursued by leapfrog green-field developments.

The second is the question of regulation and reflects upon the conflicts that persist between tourism as a real estate activity and urban sprawl containment as a strategic spatial planning and territorial development policy. Urban sprawl cannot be decoupled from the advent of neoliberal policies and the deregulation of the real estate market to which the emergence of new tourist-residential products is very much linked. This is particularly evident in Mediterranean countries, such as Portugal or Spain, where tourism is closely linked with construction and where economic growth has been associated with the expansion of the building and real estate sector (at least up until the outburst of the subprime crisis of 2008).

The third is the question of governance and reflects upon the contentions arising from the private management of tourism spaces in contrast with the municipal management of urban systems and infrastructures. Tourism spaces and tourist resorts in particular receive planning permission and are implemented under special conditions and legislation distinct from standard urbanisation procedures. These conditions can include exemption of duties such as the provision of collective facilities and access to special funding programmes. Tourist resorts, however, enjoy autonomy and private control over land use planning and management, charging tenants and residents with higher property taxes and rates to pay for special parking conditions, urban services, security and quality infrastructure. Thus, in the long run, as urbanisation progresses, the question is how to guarantee governance mechanisms for adequate integration in the urban network, environmental control and quality infrastructure.

#### *Special Session 1: The Nature of Innovation Dynamics in Socio-Ecological Transformation Processes*

#### **THOUGHTS FOR A DEVELOPING WORLD: INNOVATIVE SOCIAL PRACTICES IN REGIONAL DEVELOPMENT**

**Karina Castro Arce, University of Groningen, THE NETHERLANDS**

This paper elaborates on and examines the connections between social innovation and governance of social-ecological systems. The aim is to develop a conceptual framework to analyse the significance of social innovations for regional development. It is argued that in social-ecological systems the emergence of new practices and social arrangements have the potential to enhance adaptive capacity, which allow regions and their governance to use crises and conflicts into opportunities to develop and evolve. Social-ecological systems can be defined as intertwined spheres of society and nature. This process involves both dynamic interactions and exchanges, and, at the same time, the intertwined relations shape the governance amongst social-ecological systems, their components and other social-ecological systems. Within the governance of social-ecological systems, new social practices develop and interact at different territorial levels, giving rise to multi-layered processes and spatial dynamics affecting and transforming the management and decision-making over common-natural- resources. In the governance of social-ecological systems, regions experiment and innovate

through constantly creating and recreating socially innovative practices. From the perspective of the governance of social-ecological systems, social innovation can be understood as a sustainable practice, as it deals with satisfaction of human needs and raises awareness upon conflicts and crises originated by social-ecological interactions. Therefore, social innovation has a dynamic double role: it aids imperilled social-ecological environments and it introduces transformations to the governance of social-ecological interactions. Social innovation encompasses changes in social relations, new governance practices, empowerment of institutional capacities, and new ideas, institutions or social arrangements. Looking at this process through adaptive capacity lenses, social innovation brings to the governance of regional social-ecological systems the possibilities to experiment, learn, adapt and transform.

Two main questions guide the discussion in this paper: How does social innovation and governance of social-ecological systems relate in regional development? Does this relation bring adaptive capacity to a region? These questions are discussed from a theoretical perspective while empirical illustrations give examples of what can be analysed through the proposed theoretical framework. Using as example Huetar North Region in Costa Rica, it is intended to draw attention to particular social innovation dynamics that are being developed to foster regional sustainability. Moreover, the interest is to determine if these dynamics could contribute to an adaptive development of the region, and how. This paper is structured in four main sections. Section one is presented an insight of the concept of social innovation, its characteristics and roles. In section two, through the exposition of the theoretical framework, social innovation is framed in the sphere of governance of social-ecological systems, and is explored as a valuable asset in the region's adaptive capacity. In the third section, three examples from the Huetar North Region are presented: the first concerns with the creation of a national park by community push with the aim of protecting water reservoirs and forest; the second example shows the confluence of different non-governmental stakeholders interested in meliorating the region's sustainable development and labor opportunities; the third mentions how social and ecological movements stop a transnational open-pit mining project, which had support from the Estate, engaging local and global stakeholders in the process. This examples illustrate the particular conditions not only of a region's governance of social-ecological systems, but also of the social innovations practices and their role in regional development. Therefore, in the fourth section, in order to understand how social innovation can be reproduced and enhance regional development, the paper concludes with a reflection on the need to proceed with an analysis that considers the territorially embeddedness of social innovations.

#### *Urbanisation and Cities*

### **SPATIAL STRUCTURE OF SHOPPING CENTRES IN WARSAW**

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Shopping, and consumption in general, is becoming more and more important part of life of contemporary society. In spatial dimension this phenomena is expressed by proliferation of shopping centres: modern retail spaces, dedicated and designed only for one purpose – consumption. At the same time retailing is the type of economic activity for which location is one of the most important (or even the most important) factors of success. In this circumstances geographical studies of shopping centres can provide important knowledge and insight into profound spatial processes that shape contemporary cities.

Expansion of planned shopping centres observed in Poland since mid-90. is described as one of the most important changes in Polish retail landscape. Shopping centres are new elements here not only in terms of their physical fabric, but also innovative functions, form and operation. In the last 20 years about 390 new shopping centres have been opened, providing about 8.5 million m<sup>2</sup> of modern retail space, of which about 60% is concentrated in 8 largest agglomerations. This process started with the expansion of hyper- and supermarkets accompanied by small shopping galleries, but in the last decade more complex and specialised formats appeared, such as regional shopping centres, retail parks, factory outlets, and leisure centres.

Since development of shopping centres in Poland was hierarchical, Warsaw as the capital and the largest and wealthiest city in the country is now the best developed shopping centre market. It is characterised not only by the highest volume of modern retail space (about 1,4 mil m<sup>2</sup> in 2012), but also the highest number of centres,

both traditional and specialised. For that reason alone spatial structure of Warsaw shopping centres is the most developed and complex in Poland, also because of complicated legal status of many urban plots.

At the same time geographical research on Polish shopping centres aren't popular and usually take the form of case studies, while more comprehensive analysis of large-scale retailing spatial structure are very rare. Surprisingly, the largest and most developed shopping centre market in Poland – Warsaw – was the subject of only a few studies, limited to the description of spatial structure of centres and without stronger link to their location conditions.

The aim of the paper is to present spatial structure of 35 Warsaw shopping centres with respect to factors that affect centres' location. The main area of the analysis were relations between shopping centres characteristics (size, tenant mix, age, parking) and their location parameters (accessibility, market area, distance to the city centre). Usually this kind of studies, conducted in the USA or west European countries, reveal relatively high correlations between these elements, especially size of the centre and its catchment area characteristics. This is due to the fact that most of location decisions made by developers are based on detailed market surveys and analysis. In Poland however, development of shopping centres market was rather fast and to a significant extent spontaneous. Additionally, post-socialist heritage, manifested by a specific urban functional and spatial structure, coupled with rather liberal spatial planning regulations and openness for foreign capital, resulted in original spatial pattern of large-scale retailing, including planned shopping centres. Thus conducted studies on Warsaw shopping centres spatial distribution revealed only a few and rather weak correlations between centres' characteristics and their location parameters. On the other hand, quantitatively advanced classification of Warsaw shopping centres based on large number of indicators (describing both the centres and their location), enabled to identify some regularities in distribution of specific types of centres. Although the classification was carried out using statistical methods and wasn't based on any particular theoretical model, distinguished classes refer to some extent to the classical hierarchical model of urban commercial centers. So there was a group of large, regional centres located closer to the city centre, that can be considered as the higher level of the hierarchy, and a group smaller local centres, located within residential areas. Apart from these two groups there were also centres that did not fit into this hierarchy, mainly due to its peripheral location. Therefore in the spatial structure of Warsaw shopping centres features of both classical urban retailing hierarchical structure and American model of suburban shopping centers were visible.

#### *Developing Rural and Peripheral Regions*

### **RURAL DEVELOPMENT POLICIES AND SUB-NATIONAL GOVERNANCE: THE CASE OF THE LEADER AXIS IN PELOPONNESUS GREECE**

**Anastassios Chardas, Athens University of Economics and Business, GREECE**

The new model of agricultural policy in Europe, applied through the rural development programs (RDPs), has been considered most appropriate for the case of Greece, given the structural problems of this country's farm sector. (including the high proportion of mountainous, less favored areas in the country's territory) and the new wave of return migration to rural areas – as a result of the uneven regional impact that the current crisis and the austerity measures it led to have had for regions exposed to the global vicissitudes (i.e. urban areas and former industrialized regions). An integral part of the rural development policy of the CAP is a decentralized type of governance, based on a 'bottom-up' approach and implemented through the Leader programs. Within this context, regional and local actors, state, private or representing civil society organizations are assigned a substantial role in designing and implementing RDPs in their localities through the creation of horizontal or vertical synergies. Though the Leader philosophy can be instrumental in the successful application of RDPs in Greek rural regions (possibly aided by the new administrative division – the Kallicrates), it has been rather little researched and investigated. This paper aims at filling this gap in the literature by examining the possibilities of introducing the bottom up approach in the governance of rural regions in Greece, where the old-type 'sectoral' (vs. the holistic development) approach continues to dominate agricultural policy and where local decisions have traditionally (and certainly in the last 30 years or so) been controlled and directed by the central state. A crucial question is can the leader-based type of governance help in the regeneration of the country-side and the promotion of internal cohesion in Greece?

The issues discussed in the paper assume further significance in view of the current discussions on 'place-based' regional development taking place in the European Commission, but also of the Kallikrates Plan for the restructuring of local governance within the country.

#### *Developing Rural and Peripheral Regions*

### **RURAL TRANSFORMATIONS: HUMAN CAPITAL, LABOUR MARKET AND MIGRATION PATTERNS IN POLAND**

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In the first years of Polish accession to the EU, the acquisition of free access to the over-400-million European market by the national producers, macroeconomic changes, extensive support and financial aid within CAP, and structural funds, all positively affected the condition of the national food industry, as well as standard of living in rural areas. A significant acceleration of modernisation left its mark especially in the processing sector and in the range of the technical infrastructure.

Rural areas are now becoming more and more independent from the agricultural sector. The number of non-agricultural families in rural areas is increasing, and agriculture gives employment to an increasingly lower number of people. Moreover, since 2000 the balance of migration from towns to the country (for the first time in history) has been positive, which has resulted mainly from the process of suburbanisation. GUS data indicate that in the years 2000-2010 net migration to the rural areas was approximately 338 thousand people (whilst in 1990-1999 it had fallen by approximately 480 thousand). According to projections, this positive balance will continue in the nearest years to come.

Despite many positive changes that have occurred in recent years in rural areas, differences between the country and urban areas are still considerable. The disproportions are not only connected with the level of income and the access to public services but also the quality of human capital defining the one's chances on the labour market and fulfilling professional and cultural aspirations.

We analyse the selected aspects of human capital development, changes in local labour markets and migration patterns in rural areas in Poland.

We base on the Poland's mass statistics from the years 2000-2011, and the findings from the survey conducted in 2000, 2005 and 2011 that covered 76 villages across Poland and ca. 8.5 thousand of rural families.

#### *Regional Development Policy*

### **IS CHINA THE ANSWER TO EUROPE'S UNDER-PERFORMING URBAN REGIONS? RESULTS FROM A UK STUDY INTO INSTITUTIONAL STRATEGIES AND SUPPORT FOR LOCAL BUSINESSES WISHING TO EXPORT TO CHINA**

**Matthew Cocks**, Xi'an Jiaotong-Liverpool University, CHINA

For many years the UK has seen a distinct division in the economic status of its cities. Broadly, this has been termed the north-south divide, and tends to distinguish between the economically prosperous south east of the country, and the less economically powerful 'peripheral' cities of the north and midlands of England, Scottish, Welsh and Northern Irish cities. These often former luminary localities for the development of the Industrial Revolution have, since declines in British manufacturing, sought ways to re-identify themselves economically and compete in an increasingly globalized economy. Such efforts to date have varied in their success and the 'project' is an ongoing struggle for local policy makers. The struggle is made all the more acute by high levels of worklessness in some areas, particularly since the 2007 global economic downturn, and cuts in nationally available funding for economic regeneration related activities.

In contrast to the economic struggles of peripheral UK cities of recent decades has been the booming Chinese economy. Unprecedented levels of economic growth have given rise to a new middle class predicted to number 700 million by 2020 – over twice the present population of the USA. This middle class are developing increasing global spending power, and therefore represent the biggest target market in the world. For British peripheral cities, struggling to develop economic growth, could tapping into the Chinese middle class be an underexplored but potentially highly lucrative option? And to what extent can city municipalities and public agencies encourage and facilitate this activity? This paper presents findings from a research project focusing specifically on UK city strategies in relation to encouraging local small and medium sized enterprises (SME) to export goods or services to China, and seeks to establish the current picture and what can be learnt from such activity to date.

The paper provides the background to the research before presenting the results of a survey of 46 peripheral major urban areas in the UK (defined as major urban areas outside of the greater South East of England) which aimed to establish their current strategies with regard to encouraging and supporting outward investment to China amongst local SMEs. A series of case studies are then discussed of cities which have made particular efforts in this regard. Conclusions are then presented which emerge from the findings, and recommendations provided for urban regions which may seek to develop this kind of activity in future. It is anticipated that the findings will also be applicable to other European cities facing similar challenges.

#### *Territorial Governance and Regional Leadership*

### **DISTINCTIVE AND INNOVATIVE REGIONS: URBAN RESILIENT COMMUNITIES AND REGIONAL POLICIES. THE SARDINIA CASE STUDY**

**Anna Maria Colavitti, Alessia Usai and Matteo Trincas, University of Cagliari, ITALY**

The contemporary research for alternative and sustainable models of development is based on collaborating networks of urban polarities aiming to create an added value for the global territorial system. In these models, the economic, environmental and social issues are framed following territory identity and according to local resources, above all cultural heritage and landscape. In particular, the recovery of some community practices and their application in land use planning allows the creation of cooperative distinctive networks which are able to develop knowledge-based tools aimed to respond in a “creatively” way to a pre-assembled urbanism model. In this discourse, it is possible to fit the strategies inspired by endogenous growth that some urban and rural communities have fielded rediscovering and reinterpreting the rules of the historical landscape construction, the customs and practices related to it, central in the contemporary debate on common goods and civic uses. Some regions aspire to develop innovative tools starting from these practices with the purpose to stand out globally as places of excellence. One of the privileged asset is the redesign of economic policies together with the regional image to create induced economies in tourism and attract investment, planning landscape and territory with the inhabitants. The traditional instruments of regional planning must therefore be questioned. They have been revisited according to multidimensional and cooperative approaches in the attempt to involve the final stakeholders of plans and projects, spacing from the regional scale to a neighborhood level, from urban planning to the cultural policies. New perspectives are opened today by the spread of the landscape approach which inextricably links territorial planning and cultural heritage enhancement to needs and aspirations of local communities. The study try to shed light on the contributions given by cultural heritage-based development models in the construction of resilient, competitive and “distinctive” regions according to territorial vocations, making local communities less vulnerable to economic and environmental impacts of global competition. Through a critical analysis of the literature and the Sardinia Region experience we attempt to provide some guidelines for the draft of regional planning tools inspired to landscape approach and the related community engagement.

**THE USE OF CULTURE AND HERITAGE IN THE DEVELOPMENT OF A SECOND TIER CITY**

**Richard Courtney and Martin Quinn, University of Leicester, UK**

This paper examines attempts to regenerate the City of Leicester through the development of a new cultural quarter and an increased emphasis on the City's heritage in the light of the discovery of Richard III's body. The use of culture and the creative arts as a driver of economic development has been the focus of much research in Economic Geography, Labour Market Studies, and Cultural Policy Studies. This research has championed the positive impact culture and the creative industries have had in those Cities. The UK City of Culture programme encourages second tier Cities to choreograph their cultural policy with wider economic development policies. Leicester City was un-successful in its bid to be the 2017 UK City of Culture. This paper will examine Leicester City Council's attempts to regenerate the City's built environment through the Cultural Quarter, their City of Culture 2017 bid, and their Heritage Action Plan. The latter is aimed at using Heritage as a catalyst to the further transformation of the City's public spaces. Secondly, the paper will examine employment trends in Leicester's cultural quarter to track changes in employment in the creative and cultural industries, in order to assess the economic impact of cultural policy. We argue that while the physical regeneration of the City has undoubtedly been a success and there is now a clearly defined and understood cultural strategy in Leicester, employment growth has not followed as quickly, leading to some in the City to question whether 'Cultural Policy' has delivered value for money.

*Special Session 2: Small Trade in Post-Soviet Cities: Between Regulation and Informality*

**DISCOURSES OF HOSPITALITY FROM DIFFERENT SETTINGS IN TBILISI: CONSIDERATIONS BETWEEN POST-SOVIET AND POST-REVOLUTION TIMES**

**Costanza Curro', School of Slavonic and East European Studies, UCL, UK**

Georgians largely conceive hospitality as an inherent part of tradition, a timeless feature of the national identity reproduced across time and space. Fixed norms concerning materiality, substances, speech and gestures of hospitality, as well as hosts' and guests' roles and identities, regulate hospitable performances in a ritualistic way.

However, far from being just a folkloric manifestation, or the abstract heritage of an ancestral past, hospitality is underpinned by a tension between tradition and pragmatism. Embedded in the Georgian socio-cultural and historical context, hospitality is an everyday practice acting as support against the shortcomings of official institutions. With a high degree of internal formality, and predicated upon glosses of honour, solidarity, and conviviality, hospitality is an informal way to build resilience from below. Establishing ongoing relationships through the exchange of material and non-material items, hospitality practices create and reinforce networks of relatives, friends, and neighbors. These social connections are a fundamental way to "get things done" in a context of shortage, developing both along with and in opposition to the formal system (Ledeneva 1998).

In Soviet Georgia, such pervasive networks constituted the backbone of the country's ubiquitous second economy. In the absence of a market economy, where money could have bought (more or less "lawfully") what the state did not provide, connections and exchanges making up hospitality events represented an alternative access to goods and services otherwise precluded by the socialist system of production and distribution.

Relationships of mutual obligation underpinning hospitality networks proved to be even more crucial after the fall of Soviet Union, where the lack of functioning institutions dragged Georgia into the depths of poverty, unemployment, ethnic conflict, and widespread organised crime. Without any form of public assistance and security, the psychological, social, and economic support conveyed through hospitality exchanges enabled people to endure this shattered everyday reality.



The connection between Georgian “shadow economy” and hospitality practices, pointed out by several scholars (Chatwin 1997, Mars & Altman 1987), collocates hospitality within a wider spectrum of informal practices, including criminal activities such as bribing, black marketing, and racketeering (Sunny 1988). However, Western standardised concepts of “legal” and “illegal”, “public” and “private”, risk obscuring local moralities behind such practices if uncritically applied to post-Soviet realities. According to Sneath (2006, referring to post-Soviet Mongolia), local glosses define certain material transfers as “transactions” – therefore more readily associated with selfish and corrupted practices. Differently, transmissions conceived within the framework of solidarity and mutual obligation between kin and close friends are described as “enactions” of these particular social relationships.

Post-revolutionary Georgia has been widely celebrated as a successful example of drastic anti-corruption reforms, especially regarding to petty corruption (Shelley et al. 2005). More generally, Saakashvili’s administration energetic interventions have been evaluated as effacing the culture of informality permeating Georgian socio-political and economic life, as well as establishing clearer boundaries between public and private social spaces. Following the establishment of sounder official institutions, people’s recourse to informal channels is supposedly no longer needed (and possibly detrimental).

In this scenario, what roles and meanings do hospitality practices acquire?

This paper focuses on discourses of hospitality within different settings of contemporary Tbilisi. With the term discourse I mean to focus on local meanings of hospitality, which are not restricted to verbal expressions, but are also enshrined within hospitality materiality, substances, gestures and attitudes (Herzfeld 1985). Based on participant observation in the Georgian capital between 2008 and 2009, as well as on informal interviews conducted with Georgians since 2011, the paper analyses perceptions, definitions, and performances of hospitality within the three settings which prove to be main stages for hospitality: the house, the street, and the restaurant. Considering relevant social, political and economic changes occurred in Georgia between the collapse of USSR and the end of Saakashvili’s era, the paper aims to outline: social relationships underpinning and developing from each setting; features of social networks; items circulating in each hospitality event; the connections of such practices to the public and/or the private dimension of social life.

Do new features of hospitality match the idea of today’s Georgia as a country where the importance of informality as a way “to get things done” has dramatically decreased?

What is the relation between tradition and pragmatism in hospitality today?

Is Sneath’s distinction between “transacting” and “enacting” relevant for an analysis of these practices? What does this distinction tell us about the significance of private and public space in Georgia today?

The critical analysis of discourses of hospitality in today’s Tbilisi sheds light on the ways in which people understand and interact with arguably still blurred and shifting boundaries between formality and informality in their everyday lives. This, in turn, allows considerations on the significance of informal exchange in “building resilient communities” in Georgia nowadays.

#### *Spatial Planning and Infrastructure*

### **REGIONS, INFRASTRUCTURE, PLANNING: CHAOS OR COMPLEXITY IN THE ENGLISH TERRITORY?**

**Gordon Dabinett, University of Sheffield, UK**

Writing some twenty years ago, having reviewed practices in Europe and North America, Wannop identified the ‘imperative for regional planning’. Accepting that there are many different understandings of what regional planning comprises, he argued that since regional issues are recurrent, regional planning was an essential art in continually managing a constantly imperfect system of government (Wannop 1995). Advocates of regional planning have supported their case with a variety of ‘techno-administrative’ rationales. Regional planning might be seen to provide a necessary forward looking and long-term framework within which to take key decisions, decisions which recognize both the importance of spatial scale but also the potential inter-generational impacts of major investments (Glasson & Marshall 2007). The goals of regional planning are often associated with the desire to balance urban/rural interests and the use/conservation of resources over large areas. Inter-linkages between functions, such as transport, land use and housing, and the co-ordination between different actors and organizations are often seen as fundamental rationales of regional planning

practice, in its attempts to deal with issues that transgress planning authority boundaries. Further cases for regional planning are put as a form of mediating between contested socio-political outcomes, either by ensuring local interests do not override 'wider-interests' or by making sure national policies might be consistently translated (Haughton & Counsell 2004).

The post-1999 'New Labour' national government saw a period that might be associated with active regionalism, with the asymmetrical devolution of powers within a pluri-national state; the establishment of regional development agencies and regional economic strategies; and the formulation of regional spatial strategies. The abolition of this regional architecture and practice at a stroke by the incoming Coalition Government in 2011 poses a number of critical questions in respect to the construction of regions and planning. Through the lens of infrastructure planning, this paper will attempt to address whose interests are served by this abrupt political act. Physical infrastructure is of central importance to the economic, environmental and societal framework of any country. How to best plan and deliver infrastructure is a complex question (OECD 2014). A recent study by the RTPI found the decision-making processes surrounding infrastructure investment in the United Kingdom to be passive, mechanistic and narrow (RTPI 2014). The study identified an existing lack of consensus and common narrative about how, when and why infrastructure should be delivered; a lack of joined up thinking about how infrastructure provision could tackle problems; a lack of broad vision for integrated strategies from policy makers and analysts; a general model for infrastructure delivery that incentivised outcomes that maximised self interests over common benefits; and a lack of power and accountability at the non-national level.

This paper attempts to provide some insights into this apparent 'strategic failure' and to reveal the contested, complex and often opaque processes that underpin infrastructure decision making in England. Two particular features stand out. Firstly, the dominant influence of private business and the consequent significance of private capital to deliver significant public infrastructure at all scales and in all sectors. This supports or at least reinforces the position and influence of central government in the decision making processes, be it through statutory and regulatory roles, direct funding, or the provision of a conduit for lobbying activities by industrial and sector interests. Secondly, the relative weakness of the local planning authorities in this process, and the subsequent diminishing of democratic and citizenship involvement in processes which have become routinised and de-politicised through communicative consultation exercises. These have sought to build consensus to avoid conflict. They have become processes to simply gather opinions, rather than being open and contested actions based on participative and active political behaviours. The recent introduction of 'localism' within planning is welcomed in this broader context, but as currently practised and envisaged, it is unlikely to establish a meaningful connect with and influence the strategic choices surrounding key infrastructure investments, in particular in the continued absence of any democratically accountable regional planning (Swain et al 2013).

#### *Regional Development Policy*

### **'DOING MORE WITH LESS' OR 'DOING LESS WITH LESS'? ASSESSING EU COHESION POLICY'S FINANCIAL INSTRUMENTS**

**Marcin Dabrowski, Department of Urbanism, Delft University of Technology, THE NETHERLANDS**

In the context of economic crisis and austerity EU cohesion policy found itself under increased pressure to reduce its budget while still delivering better results. Against this background, innovative new instruments were put forward to reform EU cohesion policy in order to enhance its effectiveness and the return on investment. In fact the policy is one the most important EU policies in budgetary terms and is widely considered as the EU's main investment policy that could play a key role in countering the negative effects of the crisis, however, it is also often criticised for lack of tangible results in stimulating economic development in lagging areas of the EU.

One of such new devices were financial engineering instruments, introduced in the 2007-2013 period, that were expected to offer a means to 'do more with less' in this difficult budgetary context. In the case of such instruments, EU funds are not offered as grants co-financing investment projects, but rather are used to

provide repayable assistance to projects that can generate profit. Hence thanks to the revolving nature of the financial assistance offered, they allow for leveraging additional private capital for investment in economic development at the sub-national level and have the potential to increase the sustainability and effectiveness of interventions. This is a radical departure from a grant-based support towards revolving funding. However, the effects of this shift have not yet been investigated.

This study uses the policy instruments approach (SALAMON, 2002, 1989; HOOD, 2007; KASSIM and GALES, 2010; LASCOUMES and GALES, 2007) to evaluate Joint European Support for Sustainable Investment in City Areas (JESSICA), one of the financial engineering instruments used for promoting sustainable urban development as part of EU cohesion policy. By investigating, for the very first time, the properties and the effects of this instrument, the study bridges a major gap in the research on EU cohesion policy. It draws on qualitative research conducted in two regions - Wielkopolskie (Poland) and Andalusia (Spain) – where this new policy tool was pioneered.

The study contributes to the wider literatures on policy instruments and EU policies in two ways. First, it combines the insights from two strands of the policy instruments literature – the functional strand (SALAMON, 2002), focusing on the extent to which policy tools are adequate to their purpose, and the sociological strand (LASCOUMES and GALES, 2007; BACHE, 2010), emphasising the role of policy instruments as institutions structuring the actions of agents. Second, it applies this conceptual framework to the study of a major EU policy, which is seldom done in the literature. More specifically, for the first time, this study sheds light on the properties and effects of one of the most innovative instruments in EU cohesion policy – revolving support for investment in urban development - thus addressing an important research gap.

The assessment of JESSICA using the functional approach to the study of policy instruments highlighted a range of flaws from which this new tool suffers. While JESSICA may tick the boxes when it comes to ensuring greater efficiency as the previously predominant grants from the EU Structural Funds, its effectiveness remains limited. This is because this investment instrument, being based on a revolving funding mechanism, is only suitable for a limited range of projects that (1) can generate profit while catering to the development needs of particular urban areas; and (2) require considerable expertise and administrative capacity to meet the stringent criteria for eligibility, stressing economic viability and long-term returns on investment. Consequently, JESSICA has so far been only sparsely used to support only a handful of projects, because only few municipalities or other potential project promoters dispose of sufficient skills and capacity to prepare suitable projects. In order to increase the use of this and similar financial engineering tool and broaden the range of their beneficiaries, one needs to recognise the critical importance of investment in capacity-building and technical assistance. In addition, the effectiveness of this is hampered by the strong reluctance towards it among the present beneficiaries of EU funding accustomed to working with grants, which not only are easier to acquire but critically do not require a repayment of assistance.

Nevertheless, if one considers the actual effects of participation in the JESSICA initiative on the sub-national authorities, JESSICA presents itself in a more favourable light as a potentially transformative instrument. In fact, as was the case with previous major innovative instruments in EU cohesion policy (e.g. the partnership principle), JESSICA is also an instrument promoting learning. It facilitates a transfer of knowledge and practices across sectoral boundaries, by forcing the actors, which had previously little in common, to learn to collaborate and seek synergies to promote urban development. But more importantly, JESSICA also promoted an (arguably still small scale but nonetheless significant) shift away from the reliance on EU subsidies where assistance is taken for granted. Thus it can be considered as a device for supporting change in the approach to EU cohesion policy and more generally to supporting economic development of places. In that sense, an alternative reading of this instrument could be that it served as a socialising device preparing the policy actors on the ground for a more strategic and sustainable use of EU funding as well as the more widespread use of financial engineering, as opposed to grants, in the 2014-2020 EU cohesion policy programming period.

**KNOWLEDGE DYNAMICS, NETWORKS FOR 'GREENING THE ECONOMY' AND POLICY INTERACTIONS: THE CASE OF PAPER PROVINCE 2.0**

**Margareta Dahlström, Karlstad University, SWEDEN**

This paper explores knowledge dynamics processes and networks aiming at innovation and greening of the economy. The paper deals with the initiative 'Paper Province 2.0 – an innovation system for a bio based economy'. The initiative has won funding within the Vinnväxt programme of the Swedish Governmental Agency for Innovation Systems (VINNOVA). The funding is SEK 130M (approx. € 15M) for 2013-2022 where VINNOVA contributes 50% matched by an equal amount provided by a triple helix consortium of partners including member firms of the cluster organisation Paper Province, Region Värmland, the County Administrative Board of Värmland, local authorities, the Swedish Forest Agency and Karlstad University.

The vision of Paper province 2.0 reads as follows: "In 10 years the Paper Province will be a leading competence node in Europe within forestry based bio economy. Based in a service perspective and focusing on knowledge application we realise and commercialise products and services that lead to sustainable green growth and strengthens Sweden's competitiveness." The greening and diversification of the pulp- and paper industry and value chain is at the heart of the project and seen as both a challenge and an opportunity capable of driving innovation.

The greening of the economy, i.e. conversions into ecological sustainable production, calls for the development of new knowledge. Knowledge from diverse disciplines has to come together to solve problems to advance a green economy. Radical, in addition to incremental innovations of products, services and processes are required. The development of new knowledge takes place in complex relationships between different types of actors located in diverse places. Actors include SMEs, transnational firms, universities, research institutions, public agencies and increasingly also users, customers and other parts of civil society (quadruple helix). Knowledge interactions across sectors, scales and actors can be called knowledge dynamics.

Paper Province 2.0 builds on extensive and dense triple helix networks centred in the cluster organisation that incorporates pulp- and paper technology firms, KIBS and other actors in Värmland and neighbouring areas in Sweden. The networks of the cluster are as complex as the relations described above.

This paper explores the composition, geography and dynamics of the networks of actors that come together to realise the vision of Paper Province 2.0. Particular attention is paid to policy interactions, e.g. how policy actors see Paper Province 2.0 as a means to deliver aims of Europe 2020 at the regional and local level. Researchers from several disciplines at Karlstad University are involved in the project from start and thereby have a unique possibility to carry out research on the knowledge dynamics, networks and policy interactions of Paper Province 2.0 as they evolve. In addition to being multidisciplinary, the research is also transdisciplinary by involving actors in the research for example in developing multi- and transdisciplinary research and innovation methods.

**REGIONAL SKILL ECOSYSTEMS TO ASSIST YOUNG PEOPLE MAKING EDUCATION EMPLOYMENT LINKAGES IN TRANSITION FROM SCHOOL TO WORK**

**Paul Dalziel, AERU, Lincoln University, NEW ZEALAND**

Between 2007 and 2012, the author was involved in a five-year trans-disciplinary research program funded by the New Zealand government on education employment linkages for young people. His research has focused on employer-led channels at the regional level, investigating how opportunities and requirements of employers in a region are communicated to young people as they make key education choices. This paper summarises the major findings of this part of the research programme, paying particular attention to the role of careers offices in post-school education institutions. The work draws on the skill eco-system metaphor

introduced initially by David Finegold (1999) and developed more recently by the NSW Board of Vocational Education and Training in Australia in collaboration with a research team led by John Buchanan at the University of Sydney.

#### *Spatial planning and infrastructure*

### **PLANNING THE ARRIVAL CITY: DEVELOPING THE SLAUGHTERHOUSE QUARTER IN BRUSSELS.**

**Stefan De Corte, Jens Aerts and Sarah Boeck, Vrije Universiteit Brussel, BELGIUM**

After a long period of decline the Brussels Canal Area is attracting the attention of private investment and public intervention. Together with the European Quarter (the location of the European Institutions in Brussels) the Canal Area counts most of the recent real-estate and planning projects in the Brussels Region. The development of this centrally located part of the city has been put high on the different planning agenda's in recent months. At stake is the re-use and possible transformation of an industrial and logistical urban landscape, including many working class neighbourhoods dating back to the second half of the nineteenth century. This development fits the devaluation-revaluation cycle we experience in many cities that share similar land markets, but is specific in the sense that Brussels is confronted with a demographic boom, requesting substantial growth in housing units and public services (especially schools). All eyes are turned to the canal and its surroundings, because of its potential for redevelopment. This renewed attention is welcome given the long history of disinvestment and political disinterest in this part of the city, resulting in deprivation of the local (mainly immigrant) community, but this interest is it not without risk. The academic literature and the many case-studies that analyze similar transformations in other cities around the world, point to the often undemocratic, unsustainable and socially narrow defined character of redevelopment schemes, leading frequently to social and cultural displacement on the housing market and in public space.

Our contribution is based on a six month 'preparatory' research (second half of 2013), conducted prior to the first phase of a town-renewal project in the southern part of the Brussels Canal Area. The aim of the research, which was contracted by a public authority (Vlaamse Gemeenschapscommissie - VGC) and executed by an interdisciplinary research team, was to facilitate the cooperation between very different partners in the project by means of socio-spatial analyses, research by design and coalition building. The project involved very particular stakeholders: a public body (VGC) applying planning instruments different from the current mainstream in Brussels; a private company (n.v. Abattoir) with a long term lease on an industrial site of 10ha (25 acres) including an operational slaughterhouse plus a monumental covered market of 1ha (2,4 acres) attracting 100.000 visitors each week-end; and an institution of higher education (Erasmushogeschool Brussel) with an adjoining arts- and technology campus housing more than 600 students and staff. Unlike other major redevelopment sites in the Brussels Canal Area (like for example the redevelopment of a former goods- and custom station called Turn & Taxis) we have here an exceptional mix of public and private partners in combination with a particular kind of landownership, which opens up new possibilities in trying to combine the strengthening of the local community, including the existing local activities, with the upgrading of the area involving diversification of activities and attracting new users and new residents. The social stakes are high: the Slaughterhouse Quarter plays an important role in what we could call the 'Arrival City of Brussels', the location where the globalization from below becomes tangible under the form of informal economy, cheap housing, public space that allows for informal social networking,... . Transforming this part of the city entails debating the possible consequences of 'planned' change and how to adapt the redevelopment project to the 'unplanned' character of the Arrival City.

Six months of intense cooperation with the two main partners of the future town-renewal project and the subsidizing authority, gave us valuable insight in the possibilities and constraints of involving these partners in conceiving a project that can have a 'sustainable' leverage effect on the future of the Slaughterhouse Quarter. We will present the result of our research with a focus on (1) complex planning and governance in Brussels, (2) the use of research and design strategies in coalition building and (3) local community development using the case study at hand.

**Alex De Ruyter, Glasgow Caledonian University, UK**

**David Bailey, Aston University, UK**

This article examines the employment status of ex-MG Rover workers following the closure of the Longbridge plant in 2005. In particular, it uses Standing's (1997) typology of labour market insecurity, presenting an analysis of a longitudinal survey of some 200 ex-MG Rover workers. While the policy response to the closure saw significant successes in terms of the great majority of workers successfully adjusting into re-employment three years on, and with positive findings in terms of re-training and education, the paper finds significant issues remaining in terms of security of employment, income, job quality and representation at work. In particular, the paper posits that the general lack of attention to employment security at the macro level effectively undermined elements of a positive policy response. This in turn suggests longer-term policy measures are required to address aspects of precariousness at work, and in turn help build resilient communities.

**Aysin Dedekorkut-Howes, Griffith University, AUSTRALIA**

As climate change is increasing the frequency and severity of natural disasters resilience is becoming more and more important. At the same time the need for an intergovernmental approach to deal with climate change impacts as well as achieve disaster resilience is widely acknowledged. Higher levels of government often delegate the responsibility to local governments without much guidance or support. This research looks at local level barriers to climate change adaptation policies and resilience practice in Queensland, Australia. The aim is increasing local disaster resilience of people and property through fostering coordination between local and state government planning activities particularly in coastal high hazard areas. The study examines the ways that these groups currently interact, especially with regard to issues involving uncertainty related to climate change impacts. The methodology includes policy review and a survey of Queensland local governments on how they coordinate their planning activities at different levels. Specifically, the survey asks the respondents the severity of the risks natural disasters and climate change pose to their local governments, the actions they are undertaking to deal with them, the barriers they encounter as well as the mechanisms they use for intergovernmental coordination. The results will help identify the weaknesses of the current planning system in responding to the challenges of climate change adaptation and the opportunities for improving the ways we plan and coordinate planning to improve resilience in advance of disasters so as to help speed up recovery when they occur.

Preliminary results indicate that fragmentation of authority, lack of clarity in terms of who has responsibility, intergovernmental and interdepartmental collaboration problems, lack of skills and capacity, lack of guidance from higher level plans are among the barriers to Queensland local governments developing adequate measures for climate change adaptation and disaster resilience. There is great diversity in the geographic area and population size of the local governments in the state resulting in a variation in their capacity to respond to disaster resilience and climate change challenges. The largest of the coastal local governments covers an area of 110,910 km<sup>2</sup>, slightly larger than United Kingdom, slightly smaller than Italy, while the smallest one is barely 11 km<sup>2</sup>. There is an inverse relationship between size and population of the local governments because rural local governments have very small populations and very large areas. The most populated two local governments of the nation, Brisbane and Gold Coast, cover 1326 km<sup>2</sup> and 1333 km<sup>2</sup> respectively. At the high end Brisbane local government employs over 9000 full time equivalent personnel whereas the least number of employees is 39 for a population of 566. Clearly, these local governments have very different patterns of urbanization and disaster and climate change threats as well as differing capacities of adapting to them. A review of the policy framework and an examination of the differences between the local governments indicate that among the coastal local governments which were required by higher level plans to prepare a coastal

hazard adaptation strategy most of the few which complied were located in the most populated and urbanized region in the state with the longest regional planning history and a draft Climate Change Management Plan. Furthermore, all these local governments were among the top ten areas at risk of inundation in the state.

*Regional Development Policy*

**DECENTRALIZATION AND PUBLIC PARTICIPATION: INSTITUTIONAL SETBACKS IN PUTTING IDEALS INTO ACTION IN ISTANBUL'S "RESILIENCE" PLANNING**

**Basak Demires Ozkul, Istanbul Technical University, Department of City and Regional Planning, TURKEY**  
**Deniz Ay, University of Illinois at Urbana-Champaign, Department of Urban and Regional Planning, USA**

This paper looks at the role of national and international institutions, which facilitate the mutation of the Earthquake Master Plan of Istanbul (EMPI) into the Istanbul Seismic Risk Mitigation and Emergency Preparedness Project (ISMEP). EMPI has been hailed as a comprehensive 'Istanbul Model' risk management system for urban planning (EMPI, 2003) triggered by the devastating 1999 Istanbul earthquake whereas ISMEP is an internationally financed mega public infrastructure project. The shift from a comprehensive and collaborative planning approach in response to a shock, to a normative investment driven development project provides clues about the difficulties in establishing new paths of institutional engagement that call for broader accountability within an established institutional setting (Agrawal and Ribot, 1999).

Resilience literature points to the importance of comprehensive and collaborative approaches in creating resilient cities (Godschalk, 2003). However it also emphasises the importance of long term relationships and path dependence in determining the process in which external shocks are interpreted and dealt with (Wolfe, 2010). By outlining the formation of the ISMEP project, this paper looks at the contradictions between planning theory and practice in the form of a political plan that incorporates essential elements of resilience versus the persisting modes of interaction between international and national institutions.

The EMPI was prepared by the Istanbul Metropolitan Municipality in 2003 with the collaboration of four major research universities in Turkey (Bosphorus University, Istanbul Technical University, Yildiz Technical University and Middle East Technical University) and the participation of academics from multiple disciplines ranging from urban planning to psychology. The plan aimed to provide a betterment of living standards in Istanbul through social, legal administrative and economic reforms within the context of physical upgrading. EMPI also incorporated elements of decentralization and public participation. These two elements were deemed to fall in line with the strong reform minded thinking of intellectuals and government between 2002 and 2004 due to the rapid reforms for democratization enacted as part of the EU candidacy package. By promoting institutional dialogue and public involvement, the master plan promoted a strong push towards local accountability. However this initial wave of optimism for a novel approach within planning subdued and the plan has not been put into practice. Since no alternative plan has been developed to replace it, it remains the de-facto planning document for earthquake mitigation.

The major consequence of the EMPI has been the formation of the World Bank Project Istanbul Seismic Risk Mitigation and Emergency Preparedness Project (ISMEP) in 2003. ISMEP was originally conceived as a risk mitigation project that incorporated elements of public participation, although not as comprehensive as those outlined within EMPI, and would be conducted in partnership with the Istanbul Metropolitan Municipality. However, the scope and scale of ISMEP changed during the 'appraisal' stage and the project was transferred to the Governorship of Istanbul, thus within the realm of the central government. Also within this stage elements of public participation were cut back and limited to hazard and risk awareness campaigns. The project has eventually become a large public infrastructure improvement program specifically focused on Istanbul. Furthermore the initial budget of 500 million dollars has now reached 1.6 billion dollars and currently involves several international funding agencies in addition to the World Bank.

The focus of this paper is to outline within the EMPI/ISMEP pairing the plan to project transfer of ideals and aims of decentralization and public participation. It looks at the political, legal and economic processes that

push national and international agencies which start out as promoters of these ideals, in this case the Turkish government and the World Bank, to eventually shift towards normative path dependent projects.

*The Economic Adjustment of Regions*

#### **AN EXPLORATORY ANALYSIS ON THE DETERMINANTS OF REGIONAL RESILIENCE IN ITALY**

**Paolo Di Caro, University of Catania, Department of Economics and Business, ITALY**

This paper proposes a new and quite flexible econometric framework for measuring and explaining regional resilience. The overall effect of disaggregate responses to aggregate shocks is identified by combining linear error-correction models and non-linear smooth transition autoregressive processes. Spatial interactions among neighbouring areas are also considered. The presence of asymmetries in resilience across Italian regions is investigated by looking at the evolution of employment over the period 1992(IV)-2012(IV). The following key results are obtained: regions within the same country differ in terms of both shock-absorption and post-recession patterns; the broad impact of a common shock shall take into account temporary and persistent effects; differences in recessions and recoveries among areas are motivated by some elements such as industrial structure, export propensity, financial constraints, human and civic capital. Some concluding suggestions introduce possible future areas of research in line with the more recent literature on this topic

*Culture, Creativity and ICT*

#### **PLACE IDENTITY, MUSIC TOURISM AND HERITAGE: THE CASE OF THE CULTURAL DISTRICT OF THE PROVINCE OF CREMONA, ITALY**

**Ilaria Dioli and Paolo Rizzi, Università Cattolica Del Sacro Cuore, ITALY**

This paper offers a theoretical overview on cultural districts, through the evolution of the concept of industrial district (Marshall, Beccattini) to the idea of milieu to enhance cultural activities (Sacco, Santagata), to foster settlement and concentration of cultural facilities and to attract creative workers (Florida), tourists and investors. The creation of a cultural district implies not only mixed-use developments but also the collaboration and the involvement of the local community.

In the second part, it presents the case of one of the six Fondazione Cariplo's Cultural Districts approved in July 2010 within a broader strategy of local development. The Cultural District of the province of Cremona is characterized by the theme of music because of its tradition which is well-known all over the world both in terms of construction of music instruments (violin making since 16th century with Amati, Guarneri and most of all with Stradivari) and music execution. Since ever violin making and performing are deeply connected with the image and the brand of Cremona, along with the social and cultural practices of the city.

Moreover, in 2012 traditional violin craftsmanship was inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity because of its traditional process of making and restoring violins, violas, cellos and contrabasses. These unique skills are transmitted by specialized schools and apprenticeships in local workshop, where students continue to master and perfect their techniques as a never-ending process, combining tangible and intangible aspects as a whole. This recognition aims to safeguard and foster this craftsmanship and the related immaterial values also by different actions connected with the Cultural District.

Craftsmanship has to do with education and requires a high level of creativity: traditional violin-making is transmitted from generation to generation, both through formal and tacit knowledge and every violin maker has to adapt general rules with personal knowledge to every instrument. Education is indeed one focus to train and attract high skilled human capital thanks to many actors who transfer knowledge such as high schools, universities, master class, workshops, etc. and academic research plays a crucial role: Museo del Violino, a brand new museum opened on September 2013, offers not only an extraordinary collection of instruments and a innovative auditorium but has also two research laboratories dealing with studies on acoustic and



material aspects of stringed and bow instruments. The scientific and academic world meets the artistic dimension for the first time in Italy.

The Cultural District tries also to share part of this knowledge among the local community and open to the external world by communication and promotion activities. Music is the central element along with other cultural assets such as arts heritage, architecture, museums, libraries, events aiming at expressing and combining at the same time tradition and innovation in the cultural sector.

#### *Special Session 10: Economic Adjustment and Resilience of Commercial Landscapes*

#### **E-RESILIENCE OF UK TOWN CENTRES**

**Les Dolega and Alex Singleton, University of Liverpool, UK**

The under-performance of UK town centres and high streets is related to various forces amongst which change in consumer culture and online shopping are of high significance. Coupled with the recent most severe economic crisis in living memory, it is clear that UK town centres are in crisis. This is most obvious in the unprecedented levels of vacancy rates, which in the case of some town centres reached over 30%. The average vacancy rates vary geographically quite substantially from a low of 7% in London to more than 17% in the North West. There is increasing evidence that the adverse effects of local economic conditions on traditional British high streets are being increasingly compounded by the emergence and consolidation of different forms of e-commerce. It also emerges that some retail centres have been exposed more than others to the technological transformation through which the e-commerce channels are enabled. This paper aims to develop a methodological framework of measurement of that exposure in relation to town centres catchment areas, in other words build a measure that quantifies their 'e-Resilience'. This is defined as an extent to which town centres are exposed to consumers who are heavily engaged with information and communication technologies, and the virtual retail channels that these enable. There are three main components of that methodology: a) creating conventional catchment areas of English retail centres, b) measuring engagement with information and communication technologies at a small area level and create a summary 'e-Resilience' measure for the conventional catchments, c) conducting sensitivity analysis on retail centre catchments and their e-Resilience. These analyses use a highly-disaggregated data set on town centre composition of approximately 1300 retail centres in England. The results will benefit retailers, town centre managers, local planners, academics and those who are interested in economic health of British town centres as they enable better understanding of the patterns and transition processes to new shopping models.

#### *Clusters and Smart Specialisation*

#### **REGIONAL RESEARCH SYSTEM AND EUROPEAN KNOWLEDGE PIPELINES IN THE EU CAPITAL CITY: ANALYSIS OF BRUSSELS' PARTICIPATION AND PARTNERSHIPS IN THE FRAMEWORK PROGRAMMES FROM 1999 TO 2010**

**Nicola Francesco Dotti and Bas van Heur, VUB - Vrije Universiteit Brussel, BELGIUM**  
**Andre Spithoven, Belgian Science Policy Office BELSPO and Universiteit Gent, BELGIUM**

What is the role of Brussels in the European research geography? What are the major research actors? Is Brussels a 'regional research system'? Brussels is largely recognised as the European capital, but this role derives mainly from the localisation of EU administrative and political functions; whereas the role of research received minor attention (Van Camp and Witmeur 2009; Hoekman et al. 2013). This paper aims to map the performance of different actors in the Brussels Research System (BRS) in terms of participation in EU Framework Programme (FP) projects. Based on an empirical analysis, the paper provides three major findings. In terms of participations, there is a strong increase in the role played by European-related actors, although Belgian ones were also able to increase their participation in FP projects. Specifically, the increase is mainly determined by European associations (e.g. delegations, thematic, scientific, and industrial and business organizations, etc.) and, for a minor extent, by Belgian firms. On the other hand, universities are reducing their

share of FP participation both French- and Dutch-speaking ones, despite being under different institutional frameworks. Second, the BRS has significantly increased research partnerships with new member states, and this is mainly due to European associations and the EU bodies; while, Belgian universities and governments already had those linkages since 1990s. Finally, the map of research partnerships is different depending on actors. While Belgian universities and EU bodies are likely to cooperate with the same districts, governments of Belgium are able to establish research partnerships towards different territories.

*Entrepreneurship, Enterprise and Business Climate*

## **DOES LOCAL ECONOMIC PERFORMANCE MATTER FOR THE CHOICE OF HOW TO DELIVER A NATIONAL BUSINESS SUPPORT PROGRAMME?**

**Cord-Christian Drews, Aston University, UK**

### **Objectives**

Business support schemes offering advice to start-up firms and SMEs are a ubiquitous feature of small business policy around the globe. This paper builds on previous short-term economic evaluations of the English Business Link scheme – one an economic impact evaluation (BERR, 2006) and the other considering the choice of delivery model (Mole, Hart, Roper & Saal, 2011), both with reference to interventions in 2003. Business Link was a national scheme; however, the design of the local intervention was up to the delivery organisation for the respective area. The objective is to understand what role the choice of local delivery model plays when accounting for the regional economic contexts businesses were based within, and the varying regional economic performance, over a number of years. For this purpose, a longitudinal dataset is constructed through the application of data-linking methodology, to allow for an analysis that spans seven years post intervention.

### **Prior Work**

This work provides an extension to the BERR (2006) Business Link impact evaluation, returning to the inventory of firms used therein for its analysis, spanning a two year period post-intervention. It also builds on Mole, Hart, Roper & Saal( 2011), who developed a typology of Business Link intervention strategies – differentiating between breadth and depth of the support provided, again, with the impact (of these different delivery types) assessed over two years post-intervention.

### **Approach**

First, a longitudinal dataset had to be developed, tracking the annual performance of those (assisted and non-assisted) firms that were included in the 2005 Business Link economic impact survey for the period 2005-2011 (BERR, 2006). The annual performance data was obtained from the ONS Business Structure Database (linked by CRN), and added to the original impact evaluation data. A number of econometric methods were applied, initially repeating the original econometric analysis from BERR (2006) using selection modelling techniques, repeated for a variety of time periods from 2003 to 2011. Being specifically interested in how a specific choice of local delivery method may be more appropriate to some geographies than others, regional economic performance data was then incorporated to assess whether local economic performance is of relevance for the impact of delivery method.

### **Results**

The results suggest that the different choices of assistance model are of relevance when assessing the support's impact on business performance. This impact varies over times, with some methods delivering earlier significant results than others. However, the evidence is less clear cut when assessing how different delivery models may be suited to different local economic contexts and performance [however, this is very much work in progress, and the author will continue the analysis following submission of this abstract].

### **Conclusion**

The initial implications for policy-makers and evaluators are clear: the local delivery strategy for a national support programme can make a significant difference to its impact, and the impact does change over time and by strategy chosen. From a spatial perspective no delivery method [interim result – work in progress] appears

superior to others in a given local economic context, suggesting that [interim result – work in progress] the choice of delivery model can be made independent of local economic performance. However, whilst the analysis is still in progress, it does already serve as a case study of how to make use of government micro data for spatial performance analysis of, in this case, business support delivery choices.

The author is in receipt of an Economic and Social Research Council Collaborative Award with the UK Department for Business, Innovation and Skills [ES/H040609/1]

#### *Role of Institutions in Regional Development*

### **TWO CITIES, ONE TALE – SHANGHAI VS SHENZHEN IN THE COMPARATIVE LENS**

**Jun Du and Ying Zhou, Aston University, UK**

Shanghai and Shenzhen are the most affluent cities in China. Both cities share a lot in common: receive huge amount of capital injection, magnetize best talents from all over China even abroad, stay very open to trade and attract enormous amounts of inward investment, and so highly industrialized and urbanized that become increasingly comparable with cities like Hong Kong and Chicago. However, when the two cities are lined up shoulder-to-shoulder, contrasts reveal. The most intriguing discrepancy among all is the economic growth records – Shanghai lags behind Shenzhen significantly over a long period, and this is despite receiving much more investment and stock better talents. Why?

This paper demonstrates that what lead the two cities show differences in performance results are institutional. We hypothesize that compared to those in Shenzhen, institutions in Shanghai induce higher transaction costs and hence are more growth-binding. Shanghai's institutions hinder resources being allocated to the most productive uses and hence induce low returns to investments (in capital, labour or technology). We test this hypothesis by decomposing the aggregate total factor productivity growth of the manufacturing sectors in the two cities by adopting the recent improved methodology of Melitz and Polanec (2012), into contributing components of average individual firms' productivity improvements, resource allocative effects, and of industrial creative destruction (i.e. entry and exit). We compare and contrast the resource allocation efficiency of the manufacturing sectors in the two cities, by applying stochastic dominance tests for unconditional resource allocation for individual firms and conditional resource allocation after filtering the effects of industry, ownership, age group and export status. Additionally, we model the likelihood of firms been discriminated in resource allocation based on a number of firm characteristics that capture discrimination and direct measures of institutional quality.

We find that the overall resource allocation in Shenzhen is superior to Shanghai. In the manufacturing sectors, firms' resource allocation efficiency in Shenzhen stochastically dominates that in Shanghai. This pattern is strong and robust even after controlling for industrial specificity, ownership, firm age, export orientation. The firm level resource allocation discrimination model reveals that on average a smaller, private (vs state) intensively exporting (vs minority exporting and non-exporting) firm, even though equally productive, is less likely to grow, and in particularly the likelihood is smaller in a market in which government subsidy is unevenly distributed.

#### *Tourism and Experience Economies*

### **THE IMPACT OF THE LOCATION OF DOWNTOWN HOTELS ON TOURISM DEVELOPMENT AND PRICING IN ANTALYA**

**Murat Ali Dulupcu and Aykut Sezgin, Süleyman Demirel University, TURKEY**

The tourism sector in Antalya, Turkey has grown exponentially, and the rapid development tourism led to incredibly increase in the number of hotels: for example, the number of 5 stars hotels in Antalya is bigger than the whole Spain. This transformation in the region, of course, has created strong implications in the location

choices, culture, tastes, and expectations. One of the main dilemmas of mass tourism in Antalya is low interaction of tourists with the city centre and correspondingly low revenue generation from the tourism sector. However the regional authorities are implementing various strategies and programmes to make city centre more attractive. In this regard the location of accommodation facilities in the city centre became more important.

The purpose of the paper is establishing the relationship between space-specifications-pricing policy of Antalya downtown hotels which have three, four and five stars with using geographic information system and spatial econometric analysis. To do this, 90 interviews have been conducted with the downtown hotels in Antalya to gather detailed information including their location selection decisions and hotel specifications. Furthermore these data will be mapped with ArcGIS computer program and spatial regression analysis will be done. Some of the main research questions are as follows:

- the locational determinants of room rates,
- the relationship between price and location,
- the relationship between price and hotel specifications,
- how much the distance matters in the downtown for tourism and room rates?

#### *Clusters and Smart Specialisation*

### **THE ROLE OF CLUSTERS IN SMART SPECIALISATION STRATEGY: A SOCIAL NETWORK ANALYSIS**

**Sana Elouaer-Mrizak and Fabienne Picard, University of Technology of Belfort-Montbéliard, FRANCE**

The importance of regions in innovation justified the development of many concepts like clusters (Porter, 1990), regional innovation systems (Cooke, 2001) and learning regions (Asheim, 1996). The idea is that *“the exchange of knowledge among firms is facilitated by their geographical proximity given that knowledge has in part a tacit nature that tends to bound the spatial scope of spillovers”*. Usai (2013). Consequently, policy makers focus on regional scale in the innovation policy, especially the European Union. Based on the observation that the growth of European region still quite different (Navarro et al. 2010, OECD 2011), the purpose is also to foster regional economic growth and development by innovation-driven economic transformation agenda. But the challenge is to avoid duplication and fragmentation of efforts at the EU level and to foster the regional specificity in a global economy. This is the aim of the Smart Specialization Strategy or RIS3 (Thissen et al. 2013, McCann and Ortega-Argilés, 2011).. Indeed, according to Foray (2013) *“smart specialization is the capacity of a regional economy to generate new specialties, through the discovery of new domains of opportunity and the local concentration of resources and competences in these domains”*. The smart specialization of a region is built on new or emergent technological fields which generate new business opportunities. These technological fields could emerge in clusters.

Regarding this context and the role of regions on improving competitiveness and innovation, clusters have become progressively an important element all around the world. Moreover, in the context of new regional innovation strategies promoted by the European Commission and focused on smart specialization, clusters will play an important role.

According to Porter (1998), a cluster can be defined as geographic concentration of Interconnected companies, specialized suppliers, service providers, firms in related sectors and related institutions (e.g. universities, R&D institutions, trade associations...) in fields that compete but also cooperate. In France the clusters policy is specific and called *“Pôle de compétitivité”* policy. It is born in 2004 following the Blanc Report which focuses on the territorial competitiveness by innovation.

Consequently these both political tools (smart specialization and clusters) may have to converge and they are certain gaps in smart specialization to be covered, especially when referring to the role of clusters in the smart specialization strategy. Del Castillo et al. (2013) consider smart specialization as a strategic governance process focused on prioritizing the diversified specialization, consistent with the existing capabilities of the regions and taking into account the constraints and opportunities of the global economy. Consequently, the cluster theory is closely related to the theory of smart specialization.

The aim of this article is to explore the role of clusters in implementing the smart specialization strategy in particular considering the fact of converting the research results into innovations, fostering collaborative research between organizations and also protecting and supporting the emerging technological opportunities. Finally, it questions the role of clusters as incubators of smart specialization technological fields.

This problematic is applied into the French case. We propose to study two clusters “à la française” which are located in Franche-Comte region and focused on historical activities of this territory: automotive industry and micro-technics industry. Since the aim of clusters is to promote and increase collaborations between its members in order to increase the competitiveness of the cluster, this research considers the role of proximities (technological, cognitive and geographical) to favour the emergence of collaborative projects of innovation.

From methodological point of view, our paper is based on network analysis. We mobilize different indicators (proximity, centrality metrics, density and connectivity) to characterize the structure of the collaboration network among the clusters’ members. We question the evolution (from 2007 to 2012) of the network structure and of geographical dimension considering the weight of inter- and intra-regional relationships build during innovative projects.

#### *Role of Social Networks in Regional Development*

### **THE EXPERIENCED CONSEQUENCES OF POPULATION DECLINE FOR FAMILIES WITH CHILDREN IN RURAL VILLAGES OF NORTH-NETHERLANDS AND THE ROLE OF SOCIAL NETWORKS**

**Hans Elshof, Rijksuniversiteit Groningen, THE NETHERLANDS**

**Leo van Wissen, NIDI/RUG, THE NETHERLANDS**

**Clara Mulder, RUG, THE NETHERLANDS**

The prevalence of population decline is increasing in rural areas of developed countries such as the Netherlands. The decrease of the population is believed to have an impact on the quality of the living environment of people living in these areas. This research investigates to what extent people in selected rural villages in North-Netherlands experience consequences of decline. A focus is placed on the perceived consequences of population decline on the collective social cohesion within the villages and the individual social capital of its inhabitants. The reason for this is that social cohesion and social capital are important factors in the self-reliance of rural villages and its inhabitants, which is actively and increasingly promoted by national and local governments. It was expected that population decline causes meeting places to disappear, which negatively affects the collective social cohesion and consequently the individual social capital. This hypothesis was tested by conducting 23 in-depth interviews in 6 villages in the North and East of the province of Groningen, the Netherlands. The results show that experienced consequences of population decline are largely found in tangible aspects of the living environment. The disappearance of meeting places is found to be a process which over time has negative as well as positive effects on the social cohesion within the village. Furthermore, with regards to the development of self-reliant people in self-reliant places the role of the government turns out to be crucial in some cases.

#### *Developing Rural and Peripheral Regions*

### **ECONOMIC RESILIENCE IN REMOTE PERIPHERAL AREAS: THE CASE OF CAPE CLEAR ISLAND OFF THE SOUTH-WEST COAST OF IRELAND.**

**Patrick Enright and Mary O'Shaughnessy, University College Cork, IRELAND**

Peripheral rural areas typically face the challenge of a declining population and lack of employment opportunities. As employment in primary activities declines, the challenge is to diversify the local economy and develop alternative employment opportunities. Growth in food, tourism, construction and services can alleviate the employment situation where this is possible. In addition, at the individual household level strategies include acquiring multiple sources of income to maintain household income.

This challenge is more acute in more remote islands as maintaining population and an economic basis for survival presents great challenges. Yet despite these challenges, many small island communities display resilience in surviving and adapting to new economic opportunities. In this paper the employment and income basis for an island community off the south coast of Ireland will be explored using secondary sources and census data. It highlights the fragile economic basis for existence in more remote island communities. In the absence of a significant primary base, residents rely on a combination of some local small scale employment, commuting for employment to the mainland and a diversity of income sources based on tourism, cultural heritage, education and services. An important aspect of sustainability in this context is the constant adaptation to new opportunities based on wider societal trends.

#### *The Economic Adjustment of Regions*

### **THEORETICAL-METHODOLOGICAL PROPOSALS FOR THE ELABORATION OF A SOCIO-ECONOMIC RESILIENCE INDEX. CASE STUDY: THE REGIONS OF THE EUROPEAN UNION AND OF THE CANDIDATE COUNTRIES.**

**Simona Epasto, University of Messina, ITALY**

Resilience doesn't have a generally accepted definition, even though the Latin etymology provides valid indication on the meaning of the term (from lat. *resiliens-entis*, pres. part. of *resilire* "rebound"). The concept typically connotes the ability to "recover" from a stress or disturbance factors, so as to return to a pre-condition of lack of disruption or to a situation of transformation which restores the perturbed equilibrium. Therefore the notion seems quite versatile, being able to refer to any material or immaterial phenomenon, to people, structures, places and systems of all kinds. The multiplication of crisis at all levels, the increasing unpredictability of shocks, the additional complexity due to the overlap and interrelation of more factors and conditions that threaten the social and economic equilibrium, make it essential to analyze the concept and identify the variables that can implement the resilience of local systems.

The socio-economic regional or territorial resilience can be defined as the ability of a territorial system to recover its equilibrium following a sudden stress, one related to economic decline or to disturbances related to population growth. Models and theories from various branches of knowledge, including Geographical science, Political science, Ecology, Biology, Biogeography, Sociology, Anthropology and Demography will be examined to comprehend how these disciplines understand the concept of resilience. From an epistemological and methodological point of view, the comparative analysis of such models and theories is aimed at an interdisciplinary and holistic approach, which can be expressed as the result of an emergent evolution that its global complexity can't be brought back to its aggregates.

The regional analysis concerning the ability of adaptation and/or transformation in front of difficulties and challenges of the new global economy may enable the understanding of conditions and political-economic interventions that can make a place more or less resilient.

This research aims to analyze the concept of resilience and socio-economic vulnerability in order to understand the value, causes and effects of the shocks resulting from exogenous variables and affecting the current social and economic situation of the regions of the European Union and the candidate Countries. For this purpose a resilience index is proposed, through the development of a conceptual and methodological framework for the definition and measurement of the socio-economic resilience, elaborated by the use of a number of variables ranging from macroeconomic stability and microeconomic efficiency (economic indicators) to the participation of citizens in political life and in human and social development (social and demographic indicators), from environmental and geographical factors (indicators of sustainability) to the measures of governance and social networks (indicators of development and well-being).

The regional comparative analysis seems particularly problematic given the complexity and the continuous evolution of the underlying phenomena. This approach summarizes the status of a territorial system in relation to factors that might affect the capability of "recovery" from a possible and unpredictable shock; this allows to make comparisons between the regions object of the analysis and to identify their strengths and weaknesses.

Therefore the results can be used as a key for the elaboration of new policies to overcome the negative consequences of future shocks.

*Regional Development Policy*

## **POLICY-LEARNING FOR ECONOMIC TRANSFORMATION IN CITIES: THE CASE OF BILBAO**

**Miren Estensoro and Edurne Magro, Orkestra - Basque Institute of Competitiveness and Deusto Business School, SPAIN**

There is now a clear recognition of the importance of diversification and specialisation policies for regional development. The concept of Smart Specialisation Strategies that is spread by the European Commission and academics (Foray et al., 2009 and 2011; McCann and Ortega-Argiles, 2013) is a proof of this. However, these policies have mainly focused at the regional level and little attention has been paid to the role of cities within them. In addition, European regions and cities are facing challenges related to austerity times. This situation forces governments to reconsider past policies in order to contribute to develop resilient regions.

Cities play a role in these strategies and therefore their policy dynamics might adjust towards these new policy paths. This implies that new policy-making processes including new governance modes and different policy instruments have to be implemented at the city level too. Changes in policy-making need development of policy capabilities and therefore, policy-learning processes play a key role.

Policy-learning is defined in the literature as the process in which knowledge is used in the development of policy formulation and implementation (Borras, 2010). It is important to understand the links between learning and change. Thus, policy learning can be developed in different levels and as a result, different changes can be achieved (Benneth and Howlett, 1992). According to these authors, at government level, learning leads to changes in policy-making processes, whereas at policy network level learning generates policy instruments and programmes change. Furthermore, social learning leads to new paradigms.

This paper tries to shed light on the policy-learning concept applied to cities' policy-making processes for economic transformation. For doing so, the three policy-learning levels defined by Benneth and Howlett (1992) are explored and conceptualised within a specific empirical case. The case is focused on the city of Bilbao in the Basque region (Spain). This is a particularly interesting case as the Basque region is considered one of the few real regional innovation systems in Europe (Cooke et al., 2000) and one of the regions which counts with more political autonomy (Cooke and Morgan, 1998). That gives a complex policy system (Magro and Wilson, 2013) and a territorial complexity (Karlsen, 2010) in which the city of Bilbao is embedded and furthermore, an interesting chance to reinvent policy-making for its economic transformation.

Evidences for this case analysis are extracted from an action research process (AR), in which the authors of the paper have been involved together with the local government of Bilbao. The paper will discuss different axes of the policy-making process, which are governance, innovation in the public sector and the role of strategic intelligence tools such as benchmarking analyses.

As a result, we will show the key elements of policy-learning processes for economic transformation in cities which include: the value of AR processes in facilitating policy-learning at the three scales (politicians, bureaucrat and stakeholders).

**A COMPARATIVE VIEW OF CREATIVE CLASS' CHOICE ON RESIDING IN DIFFERENT MICRO-REGIONS IN A CREATIVE CITY**

**Pinar Falcioğlu and Ali Levent Kurtoğlu, Işık University, TURKEY**

Competitive advantage in a knowledge based globalizing economical environment is gained through the change in the way cities are established and through talented and highly skilled workforce that are attracted and retained in these cities (Brown, Meczynski 2009). The literature highlights the strong link between the changing nature of competition and the role of the city (Agnew, Soja, & Storper 2001). Creativity, knowledge production and innovation (Porter, 1990) are flourished in cities with cutting-edge competitive advantages. These advantages, as described by Florida (Florida, 2002) are authenticity, attractiveness, spatial diversity, richness of cultural and leisure amenities and presence of (semi) public 'third places' for social interaction, openness to diversity, tolerance of alternative lifestyles, presence of a lively (sub) cultural 'scene' and street life and 'buzz'. However neither the literature nor any statistical data examines districts- so called microregions-within metropolitan cities such as Istanbul, in terms of Florida's findings that contribute to the creation of physical characteristics of a creative city and additional factors like excellent transport, communication links, attractive urban environments, a wide range of qualitatively high accommodation possibilities, retail services, leisure opportunities which are not evenly distributed. This paper intends to discuss various factors that differentiate one micro-region from another, within selected groups of the creative class as described in the literature and provide a view for whether it is the city itself that enables the establishment of creative and economical development or whether some specific micro-regions play the major role. Furthermore the paper will ask the question how the parameters in the literature influence members of the same selected sub-creative class that choose to reside in different micro-regions of Istanbul. To test whether different factors influence locational choices of the members of the creative class residing in Istanbul, a survey will be conducted and analyzed.

*Special Session 4: The Green Economy, Knowledge Dynamics and Regional Development Policy*

**DEVELOPMENT OF GREEN TECHNOLOGY PATHS IN NORWEGIAN AQUACULTURE AND MARITIME INDUSTRY - BETWEEN PATH DEPENDENCY AND PATH-CREATION**

**Jens Kristian Fosse, Stig-Erik Jakobsen, Øystein Stavø Høvig, and Rune Njøs, Bergen University College, NORWAY**

This paper will investigate the challenges of introducing green technology innovations in Norwegian aquaculture and maritime industry. New governmental regulations, both national and international, and a market with an increase emphasize on green products and green solutions imply that firms have to adjust in order to survive. Existing technologies will be replaced by more environmentally friendly and renewable energies will to some extent replace traditional power sources. Thus, firms have to become "greener" and the competitive firms of the future are those that have the ability to facilitate and promote green technology innovations into the global market. According to theory, innovations are rooted in balancing continuity and disruption of industrial practice. Consequently, innovations are not only challenged by technical problems, but also of socio-cultural problems in terms of well-established technological trajectories; path dependent technological solutions and cultural informed practices in hegemonic networks. Thus, the key questions for actors introducing green technology innovations are not only linked to technological issues, but also to relational and institutional issues of everyday practice. Our theoretical assumption will be discussed through case studies of the development of selected green technology initiatives in Norwegian aquaculture and maritime industry. The empirical part is related to the development of green technology in two industries: "closed-containment technologies" for sea water production of salmon, with the possibilities of reducing the problems of genetic interaction, escape and sea lice and the development of electric car ferries reducing the emission of CO<sub>2</sub> with 90% compared with conventional technology. Data on these cases have been collected through semi-structured interviews with respondents from involved firms, and through analysing existing documentation.



## **TERRITORIAL CAPITAL AS THE PRE-REQUISITE FOR THE EFFECTIVENESS OF EUROPEAN COHESION POLICY INVESTMENTS: AN ASSESSMENT FOR EASTERN REGIONS**

**Ugo Fratesi and Giovanni Perucca, Politecnico Di Milano, ITALY**

On May 1<sup>st</sup> 2004, 10 Central and Eastern European countries joined the European Union and became fully eligible for Structural Fund support. While the conditions for eligibility are the same, at regional level Eastern territories are provided with very different socioeconomic settings.

This provides the ground for a conditional testing of the impact of European Structural Funds. In fact, the impact of Structural funds in the literature is debated, and conclusions on their effects are not univocal.

A large number of studies have in fact investigated the quantitative impact of Structural Fund expenditure in the EU, with mixed evidence. Investigations have used a large number of techniques and datasets, but normally did not consider the characteristics of receptive territories.

In particular, not considered was what has recently been labeled as “Territorial Capital”. In this view, a territory can be understood as encompassing a system of localized production activities, traditions, skills and know how; a system of localized proximity relationships, which constitute a ‘capital’; a system of cultural elements and values which attribute sense and meaning to local practices and structures and define territorial identities; a system of rules and practices defining a local governance model.

In this paper, we argue that there is an important link missing in most analyses of policy impact, and aim at testing whether this impact is mediated by the endowment of territorial capital in regions receiving aid.

This hence assesses the role of specific territorial conditions on the efficient implementation of cohesion policies in Eastern European regions at NUTS3 level, the most adequate scale for territorial capital. For the purpose of the analysis, this work makes use of a database on ERDF and CF commitments at NUTS3 level for the 2 digit expenditure categories (20 categories) in Eastern EU countries in the period 2004-2006, as well as a number of territorial capital variables which are available in the statistics.

The analysis will point out the mechanisms through which the endowment of specific territorial assets affects the outcome of Cohesion policies. In particular, the study allows to conclude that Regional policy is not so much effective per se but its impact depends on the type and amount of territorial capital possessed by the region, since different policy axes are facilitated by different endowments of territorial capital.

Moreover, the economic impacts of policy investments in material assets generally appear to be characterized by decreasing returns and hence they tend to be more effective where regions are less endowed, while the economic impacts of policy investments in immaterial assets appear to be characterized by increasing returns and tend to be more effective where regions are more endowed.

Where territorial capital is not present, however, structural funds could and should be used to enhance territorial capital in the region. This is a long run strategy, which does not produce growth in the short run but should put the bases for growth in the longer run.

## **THE RESILIENCE OF PHOTONIC CLUSTERS IN EUROPE**

**Gaschet Frédéric and Vanessa Bouaroudj, GREThA-University of Bordeaux, FRANCE**

Contemporary economic systems are featured by a high rate of technological cycles and an increasing range of demand-driven innovations. As a result, new business and products have emerged around overlapping sets of technologies such as eco-innovation, biotechnology, embedded systems or photonics. These new industries challenge the traditional sectoral view of innovation, since they emerge from complex processes of knowledge

recombination based on the redeployment of transversal technologies. A growing number of theoretical as well as empirical studies have started to explore what shapes the distinctive adaptive capacities of some territories and thereby regional “resilience”.

This paper aims at understanding the role that play related variety, transversality and recombination in resilient processes of photonic clusters in Europe.

Photonics or “opto-electronics” can be defined as “the integration of optical and electronic techniques in the acquisition, processing, communication, storage and display of information”. It is an emerging industry resulting from the combination of post second World War scientific advances such as the development of semi-conductors, the control of light beams emission and transportation through optical fibres. Most applications of these technologies nevertheless occurred only in the 1990s.

Existing empirical work suggest a high degree of spatial clustering of photonic firms, but traditional territorial models such as industrial districts or clusters fail to explain the spatial structure of the photonic industry. Some recent theoretical papers identify related variety and knowledge platforms as a key dimension of these resilience processes. Related variety refers to the relatedness of knowledge bases used by different sectors, specifically within a region. Recent literature emphasises growth through ‘related variety’ as preferable for reasons of diversity and inter-sectoral innovation opportunities. The main objective of the paper is to test the related variety hypothesis over a large sample of European photonic clusters, using a specific set of databases in order to identify photonics clusters and characterise their technological trajectories.

A first objective will be to identify the main photonic clusters across Europe, using a specific definition of the field of photonics grounded on the International Patent Classification (IPC). The systematic identification of photonic clusters at a fine geographical scale in Europe is achieved by using a combination of patent density at the NUTS 3 level and an estimation of the number of firms and research centres in photonics at the NUTS 3 level using the photincs 21 database (2500 firms and 750 laboratories). Due to data availability, the study is restricted to 16 countries of Western Europe: 14 from the UE, with the addition of Norway and Switzerland.

This results in the identification of 56 photonic clusters in Western Europe accounting for 63% of photonic patents in Europe. The spatial concentration of photonics is confirmed in the European context, with a very uneven size distribution of photonic clusters: the 5 biggest clusters account for 44% of patents.

A second objective consists in characterising, in an evolutionary perspective, the technological trajectories of photonic clusters in order to assess the role, scope and direction of technological change within these clusters. Using indicators of relative and absolute variation of patents between 1978 and 2009, five overarching trajectories are identified: big and rapidly growing clusters, rapidly growing clusters, low growth clusters, stagnant clusters, and declining clusters.

A last objective is to investigate the interplay of technological diversity with some other critical drivers of resilience acknowledged in the literature dealing with photonic clusters. We thus develop a set of measures of technological diversification. Firstly, a three-level Theil decomposition of clusters diversity is proposed. Secondly, two specific indicators of related diversification are implemented: Structural reallocation of technological knowledge (measured by the share of new patents in technological classes accounting for less than 5% of patents in the preceding 8-years period) and technological proximity between new and existing knowledge (measured by the technological distance between patents portfolios of successive periods). The results therefore advocate for the related variety hypothesis.

Finally, a specific analysis of the technological and geographical structure of patents citations helps to understand the knowledge flows that have led to the emergence and development of photonics clusters in Europe.

**SPATIAL DIFFERENTIATION AND FACTORS OF INCOME FORMATION IN THE SUBJECTS OF THE RUSSIAN FEDERATION (1995 - 2012 YEARS)**

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The levels, trends and factors of spatial differentiation of incomes of the population of the Russian Federation have been investigated in the paper. Objects of study have been 79 subjects of the Russian Federation. The subject of research has been the average per capita income of the population and their structure by income sources. The main aim of statistical analysis has been to evaluate the nature and stability of the inter-regional differences in the level and structure of income in the period 1995 - 2012 years. The research has been based on the official statistics, published by ROSSTAT.

In the first part of the study, the distributions of the Population, Gross Domestic Product and Total Money Income across the subjects of RF have been considered. The distances between these distributions have been statistically estimated and compared, as well as their dynamics have been analyzed.

The analysis has shown the spatial heterogeneity in the level of socio - economic development of the country, the imbalance between the share of regional gross domestic product and the total income of the population in some regions of Russia. Also the high level of inter and within regional differences in income per capita have been pointed. The concentration of Population, Gross Domestic Product and Total Money Income in some federal districts and / or subjects has been checked.

It can also say that inter regional differences in well-being of population in Russia have been greatly influenced not only the efficiency of regional economies, but also the federal policy of interregional budget redistribution. The second part of the study has dealt with the comparative analysis of the sources and structure of incomes in Russia as a whole and in each of the 79 federal subjects.

The income structure by sources has been considered by five sources in dynamics. These sources are: (1) business (enterprise) activity; (2) wages (salaries); (3) social transfers; (4) income from properties; (5) other incomes,

Statistical analysis has been allowed us to conclude that the structure of incomes of the population has changed significantly over the period under both the federal and regional levels. There has been a very high spatial heterogeneity in the structure of income. In addition, it could say that significant differences in income levels has not always entailed by differences in the structure of income.

Hypothetically resistance revenue structure should indicate the stability of income, but sometimes this level significantly below the national average income per capita. So it is very important to develop regional economic policy to provide access to various sources of income for the most people.

The third aspect of research is based on the analysis of the geometry of the Lorenz curve for grouped data. Ratio index is determined as relationship between income pc in region and in Russia (as a whole).  $R(t)$  - "ratio index" has been used for visualization of the changes in the position of each Subject in the row of all Subjects ranged by income pc at the moment. The trajectories of  $R(t)$  have been compared for all regions of Russia ranged by income pc in 2012. Obviously, the 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 been proposed and estimated for income pc and its five components for the period 1995–2012 years. The results of the analysis have been presented in the paper more detailed.

A comparative analysis have shown that the concept of "inertia development", "development potential" and "sustainable development" need further discussion and statistical justification. It must also be emphasized that the accumulated experience in the European Union interregional cooperation ("cohesion policy") should be explored and creatively adapted to the conditions of the Russian economy. Key words: Russia, regions, income

per capita, sources of income, structure of income, spatial inequality, GINI, Lorenz, Index of accumulated potential, trajectories of dynamics.

JEL classification: C23, D33, D63, R12.

*Sustainability - Climate Change, Environment and Energy*

## **GLASSHOUSE HORTICULTURE IN THE NETHERLANDS: GOVERNANCE FOR RESILIENT AND SUSTAINABLE ECONOMIES**

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The Netherlands have a strong and competitive horticulture sector, with regional clusters of glasshouse horticulture companies, of which the 'Greenports' of Westland – Oostland (near The Hague), Aalsmeer (near Amsterdam) and Venlo are the most important ones. The sector makes a strong contribution to the export position of the Netherlands. Since the 1990s, stimulated by changing societal expectations growers and surrounding actors engaged in improving the sustainability of the glasshouse horticulture sector, especially focussing on energy usage, greenhouse gas emissions, water usage and land use, and can be used as an inspiration for building resilient and sustainable economies.

The glasshouse horticulture sector in the Netherlands is often perpetrated as a successful example of a sustainability transition. What happened and how has this been caused? The main questions of this paper are 1) what sustainability arrangements can be distinguished in Dutch glasshouse horticulture, and 2) how did actors support the upscaling of sustainability transition in Dutch horticulture? To understand this, evolutionary transition and mode of governance theory are used. Our expectation was that knowledge governance (Gerritsen et al. 2013) interventions were important for the sustainability transition and would be needed because of the high complexity of transitions. The horticulture sector has a strong focus on innovation (Pannekoek et al., 2005). Over the years, many innovation projects and programs have been executed, and sustainability innovations have been central to it. These seemed examples of knowledge governance interventions, but other modes of governance were taken into account as well. We conducted interviews and a literature review to collect data.

A main finding of our research is that glasshouse horticulture became less unsustainable in the Netherlands, but so far a full-fledged sustainability transition did not take place. Sustainability is embedded in developments in the horticulture sector which will either lead to large scale low cost based companies who are more or less self-sufficient, or to firms which focus on adding value to their produce and partly choose for niche products. In the first arrangement, sustainability is mainly a mean to decrease production costs and to achieve a license to operate. In the second group, sustainability is primarily an opportunity for adding value and to strengthen the position in the market. The second arrangement is a rather new one; the first so far dominates the sector. This explains the focus on the reduction and the increase of the efficiency of energy usage, because this lead to decreasing production costs, when the gas prices started to rise. When entrepreneurs were driven by such motivations this produced new perspectives, such as the energy producing glasshouse. For the reduction of emissions to the water system, the incentive was less strong, because water is not an important cost factor.

In our paper we show that knowledge and innovation played a role in the sustainability activities in the Netherlands. But we did not see that knowledge governance was the main mode of governance behind the activities. Where informal privately funded innovations were very influential and were shared intensively between growers, formal innovation programs showed to have limitations. They created movement and room for societal action, but sometimes were too extreme to be adopted widely. The sector mostly innovates in an incremental manner (Berkers & Geels, 2011), adapting to technologies which have been invented in other sectors (Vermeulen & Poot, 2011), and is focused on technology, neglecting social and market innovations (Alkemade et al. 2011). Bentvelzen & Roza (2007) also state that the innovation potential of the sector is diminishing. Many companies, especially in vegetables, experience financial problems so the possibilities to invest in innovations and sustainability decreased.

Sustainability in the glasshouse sector in the Netherlands has primarily been an example of successful network governance. These networks of governmental agencies, the horticulture sector and environmental groups created the support to establish regulatory interventions and to fund research and innovation projects. A relevant issue is the recent demise of the corporatist institution 'Productschap Tuinbouw', which funded much research and innovation projects. The sector and its regional clusters are in danger to become less resilient. The differences between the biggest and the smallest companies have grown tremendously the last decade. The biggest companies develop themselves into almost self-sufficient entities which do not really need sector organizations and are less bound to one region, because they internationalised their businesses and moved up in the fresh chain. Sustainability still remains an issue for these growers. New institutional arrangements have to be developed to support this, including knowledge and innovation programs.

#### *Territorial Governance and Regional Leadership*

### **INSTITUTIONAL CONTEXT AND POLICIES TO INCREASE THE ATTRACTIVENESS OF THE CITIES: THE CASE OF ISTANBUL**

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The attractiveness of the cities and regions has been an increasing interest for the decision-makers and academicians, while the question has been raised as what are the factors attracting different groups such as migrants or visitors. This paper would involve the results of case study of ESPON project (ATTREG), which is looking for the attractiveness of the cities and regions within Europe. Istanbul has been chosen as one of the case studies within the project. The aim is to explore the regional institutional context, vision and strategy and the policies concerning the territorial attractiveness of Istanbul for indicated audiences. As methodology of the case study, we address the research questions using qualitative information mostly obtained through face-to-face interviews with stakeholders such as the representatives of local and central government, private sector, and NGOs.

Two main strategies of Istanbul master plan are defined as "raising the competitiveness and providing sustainability". To conserve its historical and cultural heritage, to preserve natural resources and to develop new activities and enhance the economy diversified are the challenging objectives. On the other hand, the vision of the Development Plan by Development Agency is defined as "A city which protects historical, cultural and natural heritage; enhances economic activities with high-value added; and raises life quality". The main development axes are; global competitiveness, social development, urban life quality, environmental and cultural sustainability, and accessibility. All these themes are significant elements to make the cities "attractive" for different groups. Although the target groups of Istanbul point out heterogeneity rather than homogeneity, it is obvious that Istanbul tries to attract more skilled labour due to the structural changes. Moreover, the policy priorities are to make the city more competitive at world level, enhance the level of integration to the global economy, and to be a global attraction hub for tourism. Apparently, at this stage the objectives of public and private sector and their respective strategies converge to a large extent, both in what regards the attraction of foreign investors, skilled labour, and tourists, and on the "hub functions" that the city could take up.

In spite of the consensus reached on this vision with all the key decision-makers, it still faces issues and challenges for the diversity of interests and opinions that it raises. Most critiques focus on the mere economic character of the growth strategy driven by the "investors' agenda", which might at one point come to ends with concerns of sustainability and quality of life. Besides, the economic successes feed widening socio-economic disparities also at a spatial level.

**THE MISSING KEY TO RURAL DEVELOPMENT: THE INTERSECTION OF PHILANTHROPY AND REGIONAL DEVELOPMENT IN RURAL CANADA**

**Ryan Gibson, University of Saskatchewan, CANADA**

Rural communities are at a critical turning point in Canada. Rural communities and regions have witnessed decades of dramatic changes: the dismantling of rural institutions, the out-migration of young people and skilled labour, economic restructuring, and the continued investment on infrastructure to bring resources out of rural areas. The future of rural communities is largely viewed as dependent on external actors and external funds. Philanthropy, through the platform of community foundations, provides a surprisingly useful mechanism for rural communities and regions to use existing local resources to facilitate sustainability and revitalization. Community foundations, as one type of registered charity, can therefore play a substantial role in rural development.

The recent economic recession, and the accompanying period of austerity measures, cast shadows the ability of governments to sustain and revitalize rural communities. Local development actors, processes, and agencies have been shifted, or are still shifting. Recent policy announcements by both the federal and the provincial governments have re-iterated the dependence of local development initiatives on government funding. When funding is available there is no problem; however, in times of austerity and during changing political priorities the dependency becomes a liability. These shifts have created the need to reflect on the new reality of local development.

Philanthropy through community foundations is explored as a mechanism to facilitate and sustain rural development. This paper presents key findings from two research initiatives investigating the intersection of philanthropy, rural development, and public policy in the Canadian context. The findings focus on: the substantial financial capital held by community foundations in rural Canada; the creation and influence of local-based funders; the re-balancing of the relationships with government; and the disconnect between philanthropy and other local actors with similar local priorities. The research findings enhance our current understanding of philanthropy and its potential roles in regional development.

The need to understand how, and where, philanthropy intersects with rural development in the Canadian context is a critical issue at the provincial, national, and international scales. The findings hold relevance for rural and regional development practitioners, policy makers, researchers, and the private sector.

**URBAN ESCALATORS AND INTER-REGIONAL ELEVATORS: THE DIFFERENCE THAT LOCATION, MOBILITY AND SECTORAL SPECIALISATION MAKE TO OCCUPATIONAL PROGRESSION**

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Spatial labour markets offer two sorts of external effects conferring advantages or disadvantages on those who live there. On the one hand there are more/less favourable employment opportunities for workers with a set of pre-determined qualities, while on the other there are more/less favourable opportunities for developing qualities that are positively valued in the labour market. The significance of such developmental opportunities has been signalled by past work, both from population geographers (Tony Fielding specifically) examining regional variations in advance across social class barriers and by spatial economists (notably Ed Glaeser) examining impacts of agglomeration economies on the earnings growth of residents. Drawing on both of these, we focus on the effects of residential location and re-location on occupational status (indexed by typical earnings levels), reflecting advances in individuals' human capital (of all kinds). This is seen as being achieved through a combination of: personal learning capacities/motivations (ambition), the local representation of activity types in which leaning is enabled rather than constrained (opportunities), and the

competitive character of the local labour market as a source of incentive/rewards for those who actively develop their talents (agglomeration)

The paper uses evidence from the (British) Longitudinal Study to examine the influence on individuals' occupational advancement of the city-region of residence (an escalator effect) and of relocation between city-regions (an elevator effect). It shows both effects to be substantively important, though less so than the sector of employment. Elevator effects are found to be associated with moves from slacker to tighter regional labour markets. Escalator effects, on the other hand, are linked with residence in larger urban agglomerations, though not specifically London, but also across most of the Greater South East and in second/third order city-regions elsewhere. Sectoral escalator effects are found to be particularly strong in knowledge-intensive activities, with concentrations of these, as of other advanced job types (rather than of graduate labour), contributing strongly to the more dynamic city-regional escalators. The impact of the geographic effects is found to vary substantially with both observed and unobserved personal characteristics, being substantially stronger for the young and for those whose unobserved attributes (e.g. dynamic human capital) generally boost rates of occupational advance.

#### *Labour Markets and Migration*

### **THE ROLE OF 'FRAMES OF REFERENCE' IN DETERMINING THE COMPOSITION OF THE LABOUR FORCE IN LOW-SKILLED SERVICE SECTORS: THE PLACE OF MIGRANT WORKERS VIS-À-VIS LOCAL WORKERS**

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Economic development and local skills strategies tend to emphasise the importance of raising the supply and demand for skills in order to achieve sustainable economic growth. Yet while European employment projections highlight the medium-term shift in the structure of employment towards higher level occupations, they also show an expected decrease in jobs in the middle of the occupational and skills hierarchy, coupled with a projected increase in less skilled jobs. These latter jobs are often associated with no/ low qualifications and low pay – and with a relative diminution in middle range jobs prospects for advancement from such jobs may be limited.

Sectors in which such low-skilled jobs are concentrated include accommodation and food services, retail and social care. When recruiting for such jobs in these sectors employers tend to place greater onus on previous relevant experience than on formal educational qualifications, but there are also opportunities here for individuals with no experience who display behavioural attributes desired by employers - including reliability, punctuality, trustworthiness, sociability and a 'positive attitude'. Hence low-skilled roles in these sectors are 'ports of entry' to the labour market for people moving into employment.

In order to serve '24/7' operations and to meet shifting daily, weekly and seasonal demands for services, employers' drive for flexibility means that many low skilled roles in accommodation and food services, retail and social care are not offered as permanent full-time jobs with fixed hours and fixed incomes. Hence, low-skilled roles in these sectors are characterised increasingly by flexibility, fragmentation, insecurity and instability – features which may make jobs relatively unattractive for many job seekers, but perhaps tolerable for others.

This paper explores the role of differential 'frames of reference' (i.e. structures of concepts, values and views by which information/ opportunities are perceived and evaluated) of migrant workers and local people with no/ low formal qualifications in understanding the composition of the labour force in low-skilled service sectors, using evidence from qualitative case studies commissioned by the UK Migration Advisory Committee. The evidence is from interviews conducted in the West Midlands region of England with employers, recruitment agencies, stakeholders, migrant workers, local job seekers and local employees in low-skill roles in the accommodation and food services, retail and social care sectors.

The evidence indicates that for local workers on out-of-work benefits, requirements for flexibility, patterns of fragmented working hours, and uncertainties about working hours and pay pose barriers to accessing work. This suggests a mismatch in the characteristics of low-skilled jobs available locally and the characteristics of jobs that many local job seekers value, given their desire for the certainty provided by permanent contracts and fixed hours. By contrast, migrant workers with a different 'frame of reference', characterised by a desire to succeed in the labour market in the short-term and a reluctance to claim benefits, need to find jobs immediately and so may be prepared to be flexible and take low paid jobs (at least in the first instance), sometimes as an initial 'stepping stone' en route to a job that they see as more commensurate with their skills and experience. Attributes that employers tend to associate particularly with migrant workers (i.e. that they are hard-working, reliable, well-educated and willing to be flexible both functionally and in terms of hours worked), stem from migrants' 'frame of reference' and have become bound up with the rhetoric of the 'good migrant worker', in opposition to that of the 'bad local worker'.

Yet this duality may be rather simplistic, given variations amongst both migrant workers and local people. Nor are 'frames of reference' static. The evidence suggests that recession and changes in labour market activation regimes may be changing the 'frames of reference' of local people in some areas, such that they may be more willing than formerly to move into roles which were characterised previously by migrant workers. Yet there is a danger that low wages, fragmented/ uncertain working hours, low and uncertain earnings and limited opportunities for progression in instances of flat organisational structures (especially in the retail and social care sectors) engender short-term outlooks and a poverty of aspiration. The challenge for local economic development policy and local skills strategies in how to enhance job quality and ensure that poverty of aspiration does not limit individuals from taking advantage of opportunities associated with economic recovery, and how local job seekers and local workers in low-skilled roles in service sectors will fare vis-à-vis migrant workers.

#### *Borders and Cross Border Cooperation*

### **CROSS-BORDER DELIVERY OF PUBLIC SERVICES: HOW USEFUL ARE EGTCs?**

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The European Grouping of Territorial Cooperation (EGTC) is a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation. It was introduced in 2006 to enable public authorities of various Member States to team up and deliver joint services, without requiring a prior international agreement to be signed and ratified by national parliaments. At the end of 2013, 45 EGTCs had been established, and approximately 20 EGTCs were under consideration (Committee of the Regions, EGTC Monitoring Report 2013).

EGTCs in operation differ considerably in terms of size and activities, but some patterns can be discerned: most EGTCs are located in the Southern and Eastern part of the EU, and most deal with strategic cooperation for economic development (including spatial planning) rather than with concrete cross-border public service provision. This raises the question whether the instrument of EGTC is used for what it was originally intended for. This paper provides such an evaluation and looks at the possibilities and obstacles for cross-border public service provision in Europe, within the EGTC framework.

The paper is structured as follows.

After a brief introduction (section 1), we will first (section 2) "map" the existing EGTCs (as well as EGTCs under consideration), focusing on a number of characteristics (geographical location, partners involved, activities, budget). The main data sources to be used are the EGTC Monitoring Reports of the Committee of the Regions, websites of specific EGTCs and dedicated websites of Interact and Urbact. Subsequently (section 3), based on previous literature, the main challenges for cross-border public service provision are discussed in theoretical terms. This section also gives an overview of actual cross-border cooperation in public service provision in the EU, within but mainly outside of the EGTC framework. This overview will be based on analysis of -inter alia- reports by the AEBR and DG Regio. Section 4 gives a detailed description of the EGTCs framework and discusses previous research on the implementation of this framework. Section 5 concludes.



**GRAVITY ANALYSIS OF TURKEY'S FREE TRADE AGREEMENTS**

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Free trade agreements (FTAs) are treaties that are signed between two or more countries with the intention of achieving higher trade volumes among members via removal of trade barriers. FTAs allow countries to apply their own customs duties towards third countries. In this study we aim to evaluate the trade impacts of Turkey's FTAs with countries who are not members of the European Union, using the Gravity model of international trade in a panel data setting. Since the establishment of the European Union-Turkey Customs Union Agreement, Turkey has implemented a commercial policy towards third countries parallel to that of the EU's and has 17 FTAs in force with EFTA, Macedonia, Bosnia-Herzegovina, Albania, Israel, Palestine, Morocco, Tunisia, Egypt, Syria, Georgia, Serbia, Montenegro, Chile, Jordan, South Korea and Mauritius as of 2013. Trade with these countries constituted 9.5% of all exports and 4.5% of all imports of Turkey in 2012. In our analysis we evaluate the impacts of the FTAs with thirteen of these countries where we use three digit trade data from the UN Comtrade database and check for FTA impacts on both total export volumes and on exports of individually classified goods categories (SITC) in Turkey's trade within the selected FTAs. We employ both a traditional (atheoretical) application of the Gravity model and also build a theoretical model where we correct for the FTA endogeneity bias. Our findings produce mixed evidence regarding the consequences of the FTAs, with results ranging from no significant impacts to some positive impacts on trade flows, varying from country to country and significantly depending on the category of the goods in interrogation. Correcting for the endogeneity bias also produces mixed results, which is not an unexpected finding since Turkey has signed FTAs with a heterogeneous group of countries with a significant portion of whom Turkey does not share significantly common economic characteristics. This instance plausibly signals to a case of exogeneity of the FTA variable in Turkey's case. Concludingly, the study presents considerable evidence that Turkey's FTA policy has not yet produced the desired impacts on export volumes, promoting the view that maintaining increases in trade volumes requires more than mere establishments of FTAs with a casual list of countries, and in addition, that structural development for creating stronger incentives for trade is just as crucial.

\*This study is supported by TUBITAK's EUTRACU Project (113K013). Authors appreciate TUBITAK for the support.

*Community Economic Development*

**RECYCLING COOPERATIVE NETWORKS - BUILDING RESILIENT COMMUNITIES**

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Solid waste is a major urban challenge worldwide and so is the conservation of resources. Therefore, reclaiming the materials embedded in the waste streams is a smart response to it. This activity maintains thousands of livelihoods particularly in cities of the global South, where large numbers of informal collectors already recover recyclables from household and business waste. When organized in cooperatives and associations, these recyclers are able to work safer, more efficiently, and receive better value for their effort of collecting, separating and commercializing these resources. Organized recycling provides opportunities for education and capacity training, facilitates the access to information, builds citizenship and challenges the ability for organization and action. The collective practices in cooperatives empower the recyclers, build citizenship and open new avenues for human development. Recycling cooperatives also generate economic benefits, by producing income and including those in the local economy that would otherwise be excluded, potentially becoming a burden to society. The activity builds social capital, by training/educating the recyclers and conducting activities that help recover their citizenship. The selective household waste collection also contributes to social cohesion and ultimately builds stronger and more resilient communities.

The paper describes the situation of organized recycling cooperatives in Brazil and discusses the application of the lessons learned in other countries worldwide, including in Europe. Empirical evidence derives from participatory, action-oriented research conducted mostly in the metropolitan region of São Paulo, since 2005.

The discussion is about the current social and economic conditions and challenges of recycling cooperatives in this region. I will examine the development potential of the organized recycling sector to play a main role in the building of resilient communities with the social and economic inclusion of the recyclers.

There is evidence about this sector's contributions to solid waste management. With the door-to-door selective household waste collection, the recyclers act as environmental stewards. They are in close contact with the community and have the opportunity to increase environmental and social awareness by disseminating information regarding waste reduction and resource recovery. The activity also creates environmental benefits. Resources are reclaimed that would otherwise end up in landfills, producing greenhouse gases. Reuse and recycling reduce the pressure on virgin materials, diminishing environmental damage and contamination.

Social enterprises such as recycling cooperatives and associations play an important role in building sustainable communities. On one hand, these enterprises generate income for the urban poor and provide opportunities for safer and healthier working conditions, and on the other hand, they generate additional opportunities that add value to the work of recyclers, such as environmental awareness building, or participating in the added value production chain. By facilitating access to capacity building and social development, individuals are able to empower and organize themselves to participate in public policy design.

In Brazil, as in many other countries in the global South, some of the recyclers have organized in cooperatives and these have created regional networks for collaboration and collective action. The activity is inscribed in the national social and solidarity economy and receives governmental support through federal public policies and institutions, such as the secretariat for solidarity economy, that encourage the organization of the recyclers in cooperatives and facilitate the access to credit lines to better equip the cooperatives and to do capacity development with the coop members. As a result, over the past decade, organized recyclers have achieved greater visibility for their work and often working conditions and income have also improved. Nevertheless, several serious hurdles and bottlenecks still need to be overcome.

The theoretical framework of this research applies a community-based participatory research methodology, grounded in theories of social / solidarity economy and eco-economy. The main emphasis is on understanding community-based recycling initiatives and their contribution to local and regional sustainable socioeconomic development worldwide. As we will see, this form of inclusive solid waste management cares about equity and justice and requires good governance and adequate public policies in order to enable successful coop recycling. The global North also has lessons to learn from these experiences.

#### *Labour Markets and Migration*

### **INTENTIONS TO MOVE AND PLACE ATTACHMENT OF LOWER EDUCATED PEOPLE IN A DEPOPULATING RURAL REGION**

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Much research has focused on intentions to move related to work. Little is known about intentions to move of lower educated and the role place attachment plays. This paper aims to explain the low intentions to move of lower educated people by exploring what place attachment theory can add to our current knowledge on intentions to move. Elements of the life course approach, the human capital theory and place attachment theory are discussed and compared in explaining intentions to move. The research was conducted in a depopulating, peripheral rural region in East Groningen in the northern Netherlands, where unemployment is high. A postal survey was distributed among 1000 lower educated unemployed (response 203). A multiple regression analysis was used to analyze the data. Results show that place attachment and having a spouse are significant predictors of low intentions to move of lower educated. Results support the place attachment model. However, human capital theory, life course approach and place attachment theory show some overlap. Support of one approach does not strictly result in rejection of the other approaches. It is striking that all discovered predictors of low intentions to move are of social nature. Social factors seem to be of greater importance in the decisions to move than economic factors in the classical sense.

**PACIFIERS, “PIÑATAS”, AND THE POLITICS OF REGIONAL DEVELOPMENT INCENTIVES: INSIGHTS FROM NORTHERN ONTARIO, CANADA**

**Heather Hall, Memorial University, CANADA**

Regional development incentives have been used for decades in many countries, including Canada. This includes incentives to attract industry often used in the 1960s and 1970s to, more recently, grants to small and medium sized businesses for start-up costs, internships, and research and development. In Canada, regional development funds are often managed through national, provincial, and regional development institutions with a variety of governance structures. This includes appointed boards and/or staff who review applications. More importantly, grants or incentives are often competitive-based applications with little connection, if any, to regional development plans or strategies. Given these complex arrangements, regional development becomes a messy and complex process where solutions to regional economic challenges are also deeply political. This paper will explore this paradox of the incentives-based approach to regional development in Northern Ontario. On the one hand, these incentives are often seen as leveling the playing field in terms of access to capital for many small and medium-size businesses on the periphery. They also help build capacity for many community development initiatives. However, they also reflect provincial and federal political priorities. As a result, they are often on the frontlines of regional state political strategies ranging from encouraging visibility, to easing regional tensions, to responding to economic challenges, and to managing deficits. More importantly, this research highlights how regional development incentives can pacify critical discussion on government policies whereby potential recipients are silent on pressing policy concerns out of fear that their applications will not be approved. This paper first provides a brief history of regional development initiatives in Northern Ontario – a region with a long history of federal and provincial regional development initiatives, from region specific policies, reports, and studies to regional development institutions. It then describes the paradox of the incentive-based approach to regional development. This research is based on 55 key informant interviews with people involved in regional development in Northern Ontario, Ontario and Canada as well as federal and provincial government policy research, archival research, media reports, and documents from key stakeholders. This paper raises important questions about the politics behind regional development and it concludes with a discussion on how we can reposition our thinking and approach to regional development. This is especially important given the recent shifts in federal and provincial approaches to regional development across Canada.

**REMAPPING AND INSTITUTIONAL THICKENING IN FOREST PERIPHERIES: REFLECTIONS FROM THE GREAT BEAR RAINFOREST.**

**Roger Hayter and Alex Clapp, Simon Fraser University, CANADA**

In the context of forest peripheries, remapping was originally conceived and analyzed primarily in spatial terms, focusing on land-use zoning, the political conflicts and scientific interventions it generated, and ultimately the compromises it enabled. Although glossed over in those analyses a key dimension of remapping agreements is the creation of institutions that embody and implement compromises among stakeholders. These institutions vary in their function and networking mandates, degrees of formality and permanence, and the scales at which they operate. This paper extends the framework of remapping by a focus on its implications for institutional thickening, with particular reference to the iconic case of the Great Bear Rainforest on the central coast of British Columbia, Canada.

Although not new, ‘wars in the woods’ over forest use have become a pervasive feature of contemporary globalization, embedded in the intersection of deep-seated institutional clashes among vested and potential stakeholders who represent wide-ranging industrial, political, environmental and cultural interests and values. Remapping serves as both normative metaphor for the conflicts and prescription for new regional plans and forms of zoning that imply an institutional thickening of governance to embrace different stakeholder interests in ways that replace conflict with cooperation. In practice, contested forest peripheries have become highly

politicized over resource values, social legitimacy, the meaning of sustainability and resilience, and scientific argument, and innovative institutional arrangements have been required to move towards peace in the woods. Moreover, local models of forest conflict vary considerably, driven by distinctive mixes of institutional interests, global-local dynamics, resource endowments, and situations.

In the case of the Great Bear Rainforest, a 2004 agreement followed years of debate, various planning initiatives and the innovation of a science-based boundary organization. This paper reflects on how this agreement has worked in practice by an examination of the institutional thickening of governance that integrates the interests of key stakeholders, formally and informally. The discussion distinguishes six cross-interest negotiations between: industrial and environmental interests; federal and provincial governments and aboriginal peoples ('First Nations'); government and environmental interests; industry and aboriginal peoples and local communities; government and environmental interests. The result has been an increasingly complex architecture of institutions, based in both civil society, industry and the state, and designed to promote different principles, including sustainability, transparency, and scientific legitimacy.

#### *The Economic Adjustment of Regions*

### **THE ROLE OF EU STRUCTURAL FUND PROGRAMMES IN PROMOTING REGIONAL ECONOMIC RESILIENCE**

**Adrian Healy and Gillian Bristow, Cardiff University, UK**

The global economic crisis of 2007/8 led to severe and long-lasting effects across the EU as regions struggled to respond to economic downturn and the onset of fiscal austerity. The effects of the crisis have not been evenly distributed, though, with some regions proving more resilient to the shock than others. There is now an expanding literature which seeks to explore the reasons underpinning the patterns of resilience observed during the crisis. Whilst the structure of the local economy and attributes of the labour market exert a significant influence on economic adjustments, understanding the role that public policies are able to play in promoting and enhancing the resilience of regions to economic shocks is of particular interest to those concerned with the economic adjustment of our regions.

The EU's Structural Funds form one of the largest components of the EU's budget and are increasingly significant components of national and regional efforts to strengthen regional economic development. As such, they have been subject to much scrutiny by academics, and other observers, concerned by their effectiveness and by their distributional effects. The seismic economic shock that swept across the EU from 2007 onwards raises a third avenue of scrutiny. That is the role that long-term structural development programmes can play in promoting regional economic resilience.

Drawing on the results of a major pan-European research project, which compares the experiences of eight EU regions, this paper examines how Structural Fund programmes have been affected by the economic crisis, and how they have, in turn, responded to the changing economic circumstances in the regions concerned. For many regions the crisis significantly affected their ability to implement anticipated investments, owing to a drastic reduction in the availability of matching finance, and resulted in intensive policy efforts to ensure the absorption of programme finances, at European, national and regional scales. Differential take-up of these policy options, both within and between programmes, is a first indication of how policy choices may influence the adjustment capacity of regions.

A second indication of how policy choices influence the adjustment capacity of regions is provided by the extent to which the crisis spawned new policy initiatives in response to changing economic circumstances. Whilst some positive examples can be found of local and regional policy responses to the crisis, little evidence has been found of substantial reprogramming activities. In part this reflects a view of Structural Fund programmes as a means to promote the longer-term structural readjustment of regions. However, it also reflects delays in developing new policy approaches in some regions, often coupled with a shift in emphasis towards enabling national policy choices.

The paper concludes with a reflection on the role that the Structural Funds can play in supporting the resilience of regions, as well as their longer-term structural adjustment. It raises important questions for the legacy effects of the crisis and considers the positive and negative aspects of the policy choices made for future resilience.

*Special Session 12: Industry Restructuring*

**UNDERSTANDING THE ECONOMIC IMPACT OF PLANT CLOSURE: A RESEARCH AGENDA**

**Nick Henry, Centre for the International Business of Sport (CIBS), UK**

Regional economies continue to experience the pain of plant closures as part of the on-going processes of structural adjustment. Drawing on a recently completed piece of UK policy consultancy, this presentation asks the question ‘what is the state of the evidence base for the economic and social impact of plant closures?’ Concluding on the current limits of such evidence, the presentation suggests a research agenda illustrative of the breadth of analytical insight offered by the theory and methods of economic geography and regional studies. Such a research agenda offers the potential for stronger and more effective design of public interventions in response to regional economic shocks.

*Labour Markets and Migration*

**TYPOLGY AND DETERMINANTS OF STUDENT AND GRADUATE INTERREGIONAL MOBILITY. EVIDENCE FROM POLAND.**

**Mikolaj Herbst, University of Warsaw/EUROREG, POLAND**

Empirical research on student and graduate migration commonly use data from longitudinal labour force surveys or university databases designed to register students and track graduates’ careers. So far, there is no such data for Poland. In this paper we use a source of data outside the sphere of public statistics. A large, unique dataset is collected from a social networking website nk.pl, allowing individuals to renew contacts with their former classmates in schools at all tiers.

In order to study the mobility of high human capital individuals we apply a framework of home–university–labour market transitions. We adapt the typology elaborated by Faggian et al. (2007), which distinguishes five types of sequential migration behaviour associated with students and graduates. Based on this typology we develop a measure of regional brain drain and classify Polish regions according to this measure.

When assessing regional performance in attracting human capital, sequential migration behaviour might also be transformed into regional conversion rates Hoare and Corver (2010). We calculate the regional conversion rates for 16 Polish regions with respect to four pathways of home-university-labour market transitions: locals, returners, stayers, and outsiders.

Finally, we estimate the empirical model of human capital flows between the regions, testing the significance of various push and pull factors at regional level.

## **RELATIONS BETWEEN THE EU COHESION POLICY AND THE REGIONAL DEVELOPMENT POLICY IN POLAND – COMPETITION, DOMINANCE/SUBORDINATION AND INTERDEPENDENCE**

**Katarzyna Hermann-Pawlowska, Institute for Development, Evaluation and Analysis, POLAND**

The regional policy in Poland has been under strong pressures to adapt to the requirements of the EU Cohesion Policy since the pre-accession to the European Union. Strong political pressures and weak position of Polish regional policy in the national institutional framework allowed for relatively easy transfer of the EU Cohesion Policy to national policy sphere in Poland on the eve of accession. This development was followed by the co-existence and competition between rules governing the functioning of the EU Cohesion Policy and the national way of supporting regional development. The priority given to effective implementation of the EU Cohesion Policy in the first years of accession led to the dominance of the EU Cohesion Policy over national regional development policy in Poland. Only when stabilisation was reached and the EU Cohesion Policy started to function effectively in the period 2007-2013, the efforts have begun to regain at least some autonomy from the EU Cohesion Policy in the field of regional development. In this respect Poland is an interesting example of the post-communist state facing adaptation pressures linked to accession processes in the field of regional policy. These pressures have led to a successful transfer of the EU Cohesion Policy and its gradual institutionalization at the national level but also to the weakening of the national model of supporting regional development - the side-effect, which had to be confronted by the Polish state.

This paper observes tensions and changing relations between the EU Cohesion Policy and regional development policy in Poland in the following periods – pre-accession, 2004-2006 and 2007-2013. It tries to prove that the nature of relations between these two policies – a national and EU policy is also an indicator of the institutionalisation of the EU Cohesion Policy on the national ground. The paper tries to explain the institutional and political conditions which influenced the change of relations between the EU Cohesion Policy and the regional development policy in Poland from competition through dominance of the EU Cohesion Policy to interdependence of the two policies and their gradual melting into one policy implemented at the national level.

This paper brings together results of the available research on the subject done in the pre-accession and after accession period in order to look for patterns in time. It also draws on the results of the research project concerning the impact of the EU Cohesion Policy on Europeanization of Polish public administration realized in the framework of PhD studies at Warsaw School of Economics. Drawing on this empirical base, this paper examines the changing in time relations between the EU Cohesion Policy and regional development policy in Poland on the bases of institutional theory (particularly its strand concerning Europeanization processes).

## **GOVERNANCE OF CITIES FOR SUSTAINABLE URBAN DEVELOPMENT**

**Paul Hildreth, SURF, Salford University, UK**

Since the early 1990s, cities have increasingly pursued sustainable urban development (SUD) through governance networks. Global to local network activity, to which local authorities and their partners have been important contributors, grew significantly over this period. This paper (available at: <http://ontheplatform.org.uk/article/comparative-urban-futures-spatial-networks-sustainable-urban-development>) explores the story of how the role of governance networks expanded in English cities post the 1993 Rio Summit through a journey of distinctive waves and patterns that continues to be shaped today. It draws on a qualitative study of the experiences of five English cities: Birmingham; Bristol; Leeds; Leicester and Newcastle.

Three broad periods of evolution are identified in the English (UK) context. First, 1990 to 2000 might be characterised as a period of experimentation with different models in different cities. Second, 2000 to 2010 can be identified as a time when multi-level governance networks were mainstreamed top-down by the then

Labour government. Third, post-2010, a more complex picture is emerging under the present Coalition government's form of localism. Without a clear national framework for sustainable development, local models for the governance of SUD are diverging and the motivations behind them becoming more complex. With exceptions, the city has become the main context for pursuing SUD, whilst the sub-region (or city-region), through private sector led Local Enterprise Partnerships, is the primary context for enhancing the competitiveness of the local (and green) economy. The abolition of performance regimes, central funding reductions and new incentives has encouraged local innovation. However, increasing austerity is putting the achievement of progress at risk.

The contribution that local 'places' can make to sustainable development may be only partially understood by the UK Government. Critically, an appropriate understanding of how momentum is shaped over time through investment in the 'place' qualities of embedded knowledge, strong institutions, effective leadership and trusting network relationships, is insufficiently appreciated in national policy making at the present.

#### *Culture, Creativity and ICT*

#### **"WHO RULES THE CITY?" ART, ECONOMY AND SCALE IN POST-INDUSTRIAL NUREMBERG**

**Sebastian Hillebrand, Catholic University of Eichstätt-Ingolstadt, GERMANY**

**Nicolai Scherle, BiTS University of Applied Sciences Iserlohn, GERMANY**

Since the 19th century Nuremberg has been the core of one of the leading industrial centres in Central Europe. With the onset of the transition from an industrial to a post-industrial society, the North Bavarian city is undergoing painful socio-economic and physical restructuring. One of the most typical manifestations of this process is the closure of large industrial areas in the western part of the city. Two projects are especially noteworthy in this respect: The former AEG site is being revitalised by an association of regional, supra-regional and commercial interest groups – following the example of a benchmark revitalisation project in the art metropolis Leipzig. While economic imperatives have for some years capitalised art and creativity to promote a creative economy on the AEG site, the logic of application appears to be inverted on the recently closed neighbouring site, the so-called Quelle site. In opposition to the planned large-scale solutions (department stores, housing, demolition etc.), artists in particular appear to play a central role in local counter-movements and alternative development discourses focussing on the Quelle site. Both projects ultimately pose the central question that is increasingly evident in the context of conversion or gentrification: "Who rules the city?" Relevant developments will be presented from a problem-oriented perspective using media discourse analysis, and selected findings of a qualitative case study will be presented.

#### *Spatial Planning and Infrastructure*

#### **COLLABORATIVE CAPABILITY & LOCAL INFRASTRUCTURE DELIVERY IN ENGLAND**

**Vivien Holt, Mark Baker and Stephen Hincks, School of Environment, Education and Development, University of Manchester, UK**

Since the start of the global fiscal crisis in 2008, infrastructure planning has been intensively promoted by economists, industrialists, the media and politicians as a vital mechanism necessary to overcome economic stagnation and stimulate balanced and sustainable recovery. Such ideas form the cornerstone of recent domestic policy making under the Coalition government in the UK. The National Infrastructure Plan (HM Treasury, 2013) sets out the UK strategy to boost the flat lining domestic economy by investing in major infrastructure projects to upgrade transport systems improve communications and build new energy facilities. The focus in the academic literature has similarly been upon national level priorities and concerns (Marshall, 2011, 2013). The role of practitioners operating locally in the public sector, government agencies and the business sector has received limited attention as a research topic despite the fact that the Within the National Planning Policy Framework (NPPF) the Coalition government has also identified a clear role for local planning in the delivery of infrastructure based around inter-sectoral collaboration (DCLG, 2012). Effective

infrastructure planning demands considerable input and preparatory work from local practitioners and involves coordination across spatial scales; one important example which can be cited to support this view is that major infrastructure schemes need to be integrated into more localised infrastructure networks, plans and strategies if the benefit of such projects is to be fully realised.

This paper presents the findings of a three year study which has investigated inter-organisational relationships between local infrastructure delivery partners to understand their potential contribution to the wider national infrastructure strategy. Methodologically the study involved a national survey of local authority planners followed by interviews and group discussions with three infrastructure provider agencies in the North West of England. Conceptually the study draws upon a particular strand of the applied public administration literature concerned with inter-sectoral collaboration and intra-organisational dynamics (Huxham, 1993a, 1993b, 2003) and aims to open up new avenues of interest in collaborative planning in a contemporary context. The paper evaluates the collaborative capability which exists between local authority planners, the Environment Agency, United Utilities plc, and the Highways Agency and shows that there is a commitment to collaborative practice on infrastructure issues on a cross sectoral basis. These research findings help to cut through some of the misconceptions surrounding inter-sectoral collaboration and show how the public sector, government and business sectors can support the national infrastructure planning strategy via the local planning framework.

*Sustainability - Climate Change, Environment and Energy*

## **RETHINKING URBAN RESILIENCE IN COASTAL TOURISM CITIES**

**Michael Howes, Elnaz Torabi and Aysin Dedekorkut-Howes, Griffith University, AUSTRALIA**

Increasing socio-economic diversity is often seen as a way to improve the resilience and sustainability of a region and its population. This idea is becoming increasingly important as climate change is forecast to lead to a rise in the frequency and/or intensity of extreme weather events, such as storms and floods. But what do we mean by 'resilience' and how can the concept be usefully applied to the urban environment, its embedded communities, and the surrounding region? This paper reviews the relevant literature to highlight the main elements that have been used in defining urban resilience and provides a synthesis of our current state of knowledge. It introduces a new definition of urban resilience with a particular focus on the life-cycle of climate-related disasters. The concept of resilience evolved from several disciplines, including: engineering, psychology, ecology, and economics. Studies of urban resilience have considered factors such as the local climate, geography, infrastructure, social systems, the economy, and governing institutions. An increasing awareness of the impacts of climate change has seen a broadening of focus from disaster risk management to building both socio-economic and biophysical resilience. While socio-economic diversity is seen to be of major importance, a key problem centres on what can be done to assist highly vulnerable regions. Coastal tourism cities are a case in point. These cities are holiday destinations that are often situated in areas that have a high level of risk of damage from storms and floods, have an economy that is highly dependent on tourism, and have a large seasonal population that lacks local knowledge or awareness of the risks. Hence they provide a highly sensitive case study and a worst case scenario for what needs to be done. The role of spatial urban configuration in enhancing disaster resilience is a controversial matter due to the existence of complex issues such as the availability of appropriate technology, property markets, public and private investments, policies, plans, social norms, and cultures. Settlement patterns and density are important contributors to the spatial configuration of cities and so influence the resilience of urban systems because they determine the distribution of population and economic activity. However, different dimensions of this relationship have not been fully explored in the existing literature. This paper looks at the links between settlement patterns, density and urban resilience in coastal tourism cities. Hence we are looking not just at the level of diversity and its influence on urban resilience, but also at how that diversity is distributed across a region. This generates an opportunity for the targeting of more effective policies and plans to increase resilience.



**COME BACK TO THE LAND: GROWING THE ALTERNATIVE FOOD NETWORKS BY NEW FARMERS IN RURAL TAIWAN.**

**Zihling Huang, National Taiwan University, TAIWAN**

Sustainable farming is a social phenomenon that is a product of modern economic development. In Taiwan, governmental policy and resources, the supervision and guidance of private testing and verification bodies, as well as the real experiences of the sustainable farmers have together created an atmosphere that is helpful for attracting people back to the land. In this context, consumers and producers have been constrained in the agro-food system, and play a positive role. They use the agency of themselves with their demand for the formation of this force to promote a series of actions and practice, constitute the alternative food networks between urban and country. Even some of the consumers have changed their lifestyle and jobs. Back-to-the-land migration in north Taiwan generally refers to the adoption of agriculture as a part-time or full-time job by people who come from non-agricultural lifestyles. These migrants who in some way depend on the land for their economic subsistence. According to the findings, because of globalization has brought high degree of risk and disembedding mechanism consumers and producers return to their trust and the local space can be monitored, they are not fixing on the simple space, but through electronic networks, communication medias, these space of flows among the multiple space to know each other space in the community members, and to link up and expand their life experiences and influences of agent.

**INEQUALITY DEVELOPMENT: THE REDEVELOPMENT OF URBAN LAND IN TAICHUNG CITY**

**Zih-Lun Huang, National Changhua University of Education, Department of Geography, TAIWAN**

This paper has explored the inequality redevelopment in Taichung city. The redevelopment in city redevelopment usually presents injustice in the process, including oppression, destroying the tradition local culture, land commodity, and exploiting disadvantaged resident that has formed an inequality development. According to present literature, there are abundant works in inequality city development, but inequality development in Taichung city is relatively underdevelopment. In recent years, Taichung city try to redevelop the as the slogan of "Culture, Economic, and International" city.

For reaching the object, Taichung government decided 3rd overall Taichung urban development project which was revised from the "post-development area" to the "overall development area". The square of 1437 ha large-scale redevelopment was proceeding in 2004, and overall development area divided into 14 planning districts including 9 units of private sector and five government departments units. Overall development area is full with historical heritages, but urban planner does not investigate what culture heritages have been in this area. Part of traditional culture such as historic site, traditional courtyard houses have been destroyed by the redevelopment project. On the other hand, government continues to create new culture space to promote land prices, create discourse of 'new city' by developing the "international city" landscape but ignores what residents want. Overall development area is not only ignoring the local culture, but also is the oppression for residents as inequality redevelopment. Before 2004, the land in overall development area was mainly used in agriculture and manufacturing, so there was only agricultural and few factory landscape in the urban, but the redevelopment project in overall development area aims to increase land use value, bring wealth to land owners and accelerate urban development and prosperity that has reduced the value of urban agriculture. Moreover, urban agriculture has become the undeveloped urban landscape through government discourse. Therefore, overall development area is only for the government's profit but not for all people.

This paper has adapted interviews, participant observation and secondary data analysis from April 2012 to January 2014. 25 interviewees have included developers, government officials and residents. The research results of this study have showed as following four points (a) culture becomes a tool for capital accumulation; (b) traditional local culture disappeared; (c) unjust city is the process of oppression and shows the characteristics such as violence, unequal information and right, residents of powerlessness, intellectual

hegemony, destruction of neighborhoods, institutional marginalization and not recognized industry (d) disadvantaged residents move out their live space as it has changed day by day. Therefore, this study presents two suggestions: (a) Taichung city government should pay more attention to local culture, and recognize the value of diversity of land; (b) residents should claim right of the city that removal of oppression towards justice of city.

#### *Spatial Planning and Infrastructure*

### **MUNICIPAL FACILITY MANAGEMENT (MFM): COMMUNITY PLANNING ON THE TEST BENCH - LIFE CYCLE ORIENTATION IN THE FIELD OF VIEW**

**Christian Humhal and Alexander Redlein, Vienna University of Technology, AUSTRIA**

#### **Introduction:**

Today, communities are facing a number of challenges. New planning methods have to consider not only zoning and definition of building codes but should also cover financial and organizational aspects. By using numerous case studies in communities the shortcomings of traditional planning methods were analyzed, and an extended planning methodology has been defined. This method was applied in a study in order to prove its efficiency.

#### **Research Background:**

By means of a number of initiatives (village and urban renewal, space management etc.), communities set steps, in order to remain attractive to their citizens and to respond proactively to future challenges. In addition, they have to find new innovative ways to use financial resources and personal use as efficiently as possible.

Our hypothesis was that if the following two aspects of facility management are already involved in an early stage of the planning process, the effectiveness of the planning results will be significantly increased:

- Life cycle orientation (investment and operation costs as well as revenues of the planned actions)
- Optimization of the municipal organization to safeguard the implementation of the strategic plans

#### **Methodology:**

The advanced methodology for a holistic management of the infrastructure / municipality consists of the following steps:

1. Analysis of local development perspectives (Local development concept, etc.) but also already done preliminary work and activities of the village and town renewal [Dorf- und Stadterneuerung])
2. Definition of a mission statement, that is the strategy of the municipality
3. Definition of key projects and their localization in order to implement the mission statement
4. Evaluation of the financial impact based on the infrastructural requirements of these key projects (note: infrastructure needs are often very different!) and the additional revenue through revenue sharing as well as additional tax revenues
5. Optimizing the organization of the community (definition of real estate and facility management process landscape / optimization of the processes)

In summary this leads to an integrated management of the infrastructure of the municipality.

#### **Results:**

Based on the result of the case study all measures should be considered in the long-term budget balance and the total budget of the municipality should always be balanced. Residential developments should be accompanied by the establishment of companies (balance of homes and offices). The balance of residents and jobs is important (the "mix of use" is very important, also in a fiscal point of view). Compact constructions are normally fiscally advantageous, higher building densities allow generous greens and open spaces. But also not monetary measurable parameters (such as social peace, etc.) should be analyzed.

The case study has also shown that some pilot projects caused no new zoning, but required an optimization of the processes in the municipality management.

#### Conclusion:

The initial findings show that FM is not only about cost and energy savings. Especially regarding on this life cycle orientation approach, the advantages and disadvantages of regional sensible development efforts must also be weighed in monetary terms. Follow-up costs usually make a multiple of investment costs. An early estimation of the expected costs and benefits helps a lot for optimizations. Also it must be considered that the level of spending on infrastructure (technical development) depends on the specific planning and topographical, geological facts e.g. cable length, length of roads.

#### *Regional Development Policy*

### **THE EFFECTS OF THE COMPREHENSIVE RURAL VILLAGE CONSTRUCTION PROJECT ON LIVING ENVIRONMENT IN KOREA: APPLICATION OF SPATIAL ECONOMETRICS WITH DECOMPOSITION METHOD**

**JaeHee Hwang and SeongWoo Lee, Seoul National University, REPUBLIC OF KOREA**

Rural and agricultural environment in Korea has been rapidly changing over the past fifty years. Especially, the trend of urbanization accelerated since the mid-1970s led rural areas to lose their competitiveness and to suffer from such problems as aging, collapse of basic industry, and lack of suitable living environments. Being aware of the necessity of policy to revitalize rural regions to improve these poor surroundings of rural areas, central government of Korea has taken a number of policy actions to revitalize rural regions. However, the impact of diverse rural revitalization projects on improving rural living environment is the subject of much heated debate. The present study is concerned with making a robust quantitative evaluation of the impact, to help resolve the debate and inform policy on planning for the rural revitalization project. The present study constructs a three step econometrics model incorporating factor analysis, spatial econometrics model, and decomposition method so as to evaluate rural policy impacts on residential well-beings in rural Korea. Among diverse rural policies having been executed in Korea, we propose an empirical evaluation based on the results of the comprehensive rural village construction project. We found that the effect of the project is more positive than observed. Direct effect is 3.0738 and indirect effect is 0.6641 for the project, which implies a small but significantly positive policy impact. We also found that impacts of the policy were more directly transferred than indirectly. The present study concludes with summarization of findings and suggesting some policy implications and direction of future studies.

#### *Developing Rural and Peripheral Regions*

### **RURAL DEPOPULATION: THE PLANNING IMPLICATIONS FOR THE DEVELOPMENT OF URBAN LAGOS.**

**Oladayo Ibrahim, University of Lagos, NIGERIA**

This paper investigates the challenges posed by cities in developing countries, particularly Lagos urban area otherwise called Lagos megacity against the backdrop of rural and even urban exodus from different parts of the country into it. Using mainly secondary data, the paper x-rayed the genesis of rural –urban migration and rural depopulation and implications to planning and managing a typical large urban city in developing countries such as Lagos megacity. The impacts of the growth of Lagos and other cities on rural areas were also discussed. The paper observed that Lagos was not prepared for its status as a megacity in terms of planning frameworks, institutional apparatus, infrastructure level, and indeed on all aspects that make a megacity to be an engine of growth for its immediate areas and the country as a whole, apart from its sheer huge population. Following the demographic trends, it is suggested that a thorough hierarchical organization of human settlements in the country is made and a deliberate planning and management policy to guide the development of the different level of human settlements. The paper finally submitted that there is need for proper understanding of concepts and rigorous analysis of the challenges, appropriate technologies and relevant information, political will, cooperation and sundry participation to be able to manage the Lagos megacity.

**Piotr Idczak, Poznań University of Economics, POLAND**

**Karol Mrozik, Poznań University of Life Sciences, POLAND**

Global processes of economic, social and environmental changes in the last decades have affected many territories in a different way. In particular, these great changes are noticed in relationships between urban and rural areas. The classic model of complementarity seen as cities function as service centres and markets for the rural hinterland, and rural areas provide raw materials, labour force as well as demand for the city's goods seems to be insufficient to clarify urban-rural interactions. Rural zones and urban ones are commonly distinguished in terms of administrative regulations but it is often difficult to clearly define the functional borders between the two. Moreover these changes and transformations might have positive as well as negative consequences for the quality of life of populations. On the one hand urbanisation essentially provides a better standard of living for inhabitants and attracts companies offering them relevant opportunities for doing business but on the other hand, when it results in inadequate housing conditions, creates pressure to move into suburban or rural areas. One of the major current problems of large cities is a lack of capabilities to create a living environment in a sensible way making possible to eliminate such negative effects as an inappropriate stock of real estate or urban building structures. This in turn affects progressing suburbanization process and spontaneous urban sprawl. As far as the suburbanization process, the rapid development of suburbs occurs in second tier cities of Poland i.e. those cities outside the capital whose economic and social performance have an important impacts on the potential performance of the national economy.

In recent time, a great effort has been made to understand suburbanization problems as well as to investigate urban sprawl which is defined as an uncontrolled urban development characterized by low-density expansion of large urban areas into the surrounding rural areas. But there is still a need to examine the potential consequences of these processes on development of peri-urban areas. A simple distinction between urban and rural areas is no longer possible. The growth is not a strength of cities but benefit more newly urbanized peri-urban areas. The cooperation between urban and rural areas should be focused on the utilization of synergies at a regional level. Peri-urban areas are often far more environmentally unstable than either urban or rural settings. Rivalry over different resources and the distribution of functions will become particularly visible in these areas. Therefore public authorities should promote balanced development and avoid uncoordinated investment in order to make possible to derive specific advantages of peri-urban areas.

In the era of globalization and when suburbanization is an inevitable process it is worth to know the current effects of urban sprawl in cities in second tier cities of Poland. The paper is set to investigate the nature of the relationship between Poznan and peri-urban areas surrounding this city. Moreover the author will try to answer the following research questions:

How have such processes affected the development of Poznan and peri-urban areas surrounding this city?

Is it possible to achieve a spatially balanced development of cities and their peri-urban areas?

To what extent are the public authority able to control/coordinate suburbanization/urban sprawl without prejudice to market conditions?

The answers to those questions will come from desk research as well as an empirical analysis. The research has practical implications for policy-makers and can be a valuable case-study also for other regions.

**PATH DEVELOPMENT IN DIFFERENT REGIONAL INNOVATION SYSTEMS: A CONCEPTUAL ANALYSIS**

**Arne Isaksen, University of Agder, NORWAY**

**Michaela Trippel, CIRCLE, Lund University, SWEDEN**

The notion of path dependent regional industrial development has recently received increasing attention in economic geography, innovation studies and related fields. A core idea is that pre-existing industrial and institutional structures constitute the regional environment in which current activities occur and new activities arise. This may lead to a high degree of inertia of industrial structures and reflects the persistence of region-specific institutions, social forms and cultural traditions.

The aim of this paper is to take a more differentiated view on regional economic development and to explore conceptually how various types of regions renew themselves by moving beyond existing paths. Scholarly contributions to regional industrial path development have often emphasised firm-specific routines, norms and tacit knowledge that first of all underpin path extension, i.e. incremental product and process innovations in existing industries and along established technological paths. The paper extends this approach by looking at alternative paths that point to different forms of transformation of regional economies. A distinction between path renewal (branching of existing industries into different but related ones) and path creation (emergence of entirely new industries) is drawn.

The paper also extends the mainly micro-level, firm-based view of evolutionary economic geography with an institutional perspective offered by the regional innovation system (RIS) concept. This enables us to capture the influence of the wider regional environment on the innovation capability of firms. We distinguish between different types of RIS: i) organisationally thick & diversified RIS (often found in well-performing areas and characterised by endogenous, firm-led economic development), ii) organisationally thick & specialised RIS (commonly found in old industrial areas), and iii) organisationally thin RIS (often found in peripheral areas). In the latter cases economic development is more dependent on state-supported action and exogenous sources of change. The paper analyses in a conceptual way the relation between RIS types and forms of regional path development. We demonstrate that various types of regions, with their specific RISs, tend to transform themselves in different ways, i.e. they can be expected to embark on different development paths. We elaborate on how wider RIS structures influence the directions and sources of regional industrial change and how such transformation processes in turn might lead to changes in RIS elements. The conceptual discussion will be enriched by empirical cases documented in the literature.

*Tourism and Experience Economies*

**REGIONAL DEVELOPMENT PLATFORMS: EXPLORING THE CHANGING PRACTICES OF FOOD TOURISM IN NORTH JUTLAND, DENMARK**

**Laura James, University of Stockholm, SWEDEN**

**Henrik Halkier, University of Aalborg, DENMARK**

There has been growing interest in regional policies that stimulate interactions between different sectors, often based on the concept of 'related variety'. Harmaakorpi has described the identification and development of new cross-sectoral growth trajectories as building 'regional development platforms'. This article contributes to conceptual debates about cross-sectoral regional development platforms and provides empirical analysis of attempts to create and develop such a platform involving the tourism and food sectors. From a conceptual perspective we argue that the notion of related variety can help policymakers to identify potential combinatorial platform opportunities, but may overestimate the ability of 'related' actors to collaborate together in innovative ways, because knowledge is embedded in practice and the process of 'combining' knowledge in new activities therefore challenging. The paper illuminates the development of cross-sectoral platforms by examining the creation of new activities from a practice perspective that directs attention to the everyday activities, routines and understandings that constitute the 'doing' of economic development. We explore the development of a cross sectoral platform in the North Jutland region of Denmark, which integrates

actors from the food and tourism sectors into a new food-tourism platform. We identify the dominant forms of the practices of producing food, retailing, catering, and promoting tourism, and then consider the ways in which these have changed in response to new cross-sectoral initiatives. The analysis shows that some aspects of practice are easier to change than others, and we conclude that an analytical approach inspired by practice theory can identify the requirements in terms of micro-level change in the practices of actors that is required for an initiative to succeed.

*Tourism and Experience Economies*

## **STAKEHOLDER ROLES IN TOURISM POLICY AND THE OVERLOOKED IMPORTANCE OF INTRA-REGIONAL TOURISM**

**Jelmer Jeuring and Tialda Haartsen, Groningen University, THE NETHERLANDS**

While to engage in tourism is often to engage in travelling and going abroad, in many regions tourism is also an important domestic, or even regional phenomenon. Moreover, tourism behaviour can be understood as a manifestation of intra-regional mobility. Yet, to date very little research has focused on domestic and intra-regional tourism, arguably the less attractive little sister of international tourism.

Interestingly, in a world of increased mobility, classic dichotomies of tourist, traveller or guest, versus resident, inhabitant, host or native, become increasingly challenged. In such a blurred context, where people and places continuously connect and detach, regions appear to be a social construct in need of re-invention, with regional governments enhancing and enacting regional identities in order to stay or become attractive tourist destinations. Regional governments have increasingly incorporated the marketing of destinations in their tourism policy and place branding has become a central strategy for regional tourism development. Yet, tourism policies appear mostly aimed outwards, with an important focus on attracting tourists from outside, hereby at least partly overlooking the meaning of intra-regional perspectives.

One of the most important insights that have entered theory and practice of regional tourism development is the significance of including the various tourism stakeholders in place branding, in order for brands to become acknowledged and enduring regional representations. Especially when policy on tourism development is building on aspects of regional identities or collective identities among certain populations, the bearers of such identities need to be included in any negotiation or construction of identity, in order for them to become regional assets that can play a role in tourism.

However, given that for many destinations, the origin of visitors is found on a domestic or even intra-regional scale, Destination Marketing Organisations and policy makers are challenged to not only account for various interests across people, but also for the different roles (e.g., visitor, host or resident) people can take on in relation to these destinations. Thus, in order for destination brands to become valuable assets in intra-regional tourism, branding policy and practice has to take into account for the various ways people can become involved in tourism.

In this light, the study presented here aims to scrutinize the way tourism policy is concerned with intra-regional tourism, explore the place branding practices that are envisaged in tourism policy aimed at intra-regional tourism and analyse the ways stakeholder involvement and stakeholder roles are accounted for in tourism development policy. The study is employed in the context of Fryslân, a province in the North of The Netherlands. With many inhabitants of Fryslân speaking Frisian (The Netherlands' second official language), accompanied by a relatively strong sense of a regional Frisian identity among parts of the population, the province boasts a variety of natural and cultural tourist attractions, attracting mostly seasonal domestic and intra-regional tourists.

By a thematic analysis of tourism policy documents on the provincial and municipality levels, the study discusses a potential 'international orientation' bias in regional tourism policy and how this becomes apparent in visions on place branding for various target groups. Further, the results provide insight in the different ways local inhabitants are attributed roles to within tourism policy and how these perspectives are reflected in plans

for destination marketing and tourism development. Finally, the results are embedded in a discussion about how aspects of a Frisian regional identity are claimed and reflected in these tourism policy documents.

*Territorial Governance and Regional Leadership*

## **CHINA'S REGIONAL POLITICS AND INDUSTRIAL LAND AUCTION**

**Guo Ji, and Chen Jing, Beijing Normal University, CHINA**

China's local political tournament (referred to as "GDP politics") has significant influence on land allocation policy and industrial land auction price. Local leaders' political competition for promotion makes newly supplied land in favor of industrial use, which increases industrial land supply leading to lower auction prices. By proposing a simple model we find that the relationship between local leaders' promotion incentive and industrial land auction price is significantly negative. We then utilize a county-level panel dataset to verify the effect. We find in the localities where the official has little potential of promotion (elder age esp. more than 50 years old), the ratio of industrial land supply is lower, and commercial and residential real estate price is also lower. But in the city where the official has greater potential of promotion (young leaders), the ratio of industrial land supply is higher, leading to lower land auction prices. The empirical result is consistent with our theoretical argument.

*Territorial Governance and Regional Leadership*

## **NEW NEW REGIONAL GEOGRAPHY**

**Martin Jones, University of Sheffield, UK**

This paper argues for the need to consider a New New Regional Geography (hereafter NNRG). This seeks to reframe debates on the region in geography through the introduction of an approach that can grasp the inherently polymorphic, multidimensional character of sociospatial relations. It questions the privileging, in any form, of a single dimension of regional sociospatial processes. NNRG suggests that regions should be viewed as mutually constitutive and relationally intertwined dimensions of sociospatial relations. The paper situates the NNRG within the history of the region and the regional concept in human geography and the methodological basis of this assumption--building on Brenner et al (2008) and Jones and Jessop (2010)--is specifically advanced.

*Regional Development Policy*

## **FOREIGN DIRECT INVESTMENT AS ENGINE OF ECONOMIC DEVELOPMENT IN PERIPHERAL ECONOMIES. WHAT CAN WE LEARN FROM THE STUDY OF TWO DIFFERENT CASES: THE MAQUILADORA SUBSIDIARY (NICARAGUA) AND A TEXTILE MANUFACTURING SUBSIDIARY IN (ALBANIA).**

**Jolta Kacani and Lucas Van Wunnik, Polytechnic University of Catalonia, SPAIN**

Using the analysis of two apparently very different cases, a Taiwanese maquiladora subsidiary of the garment industry (NienHsing Textile) in Nicaragua and an Italian subsidiary in Albania, we try to verify the existence of the benefits attributed by many host governments to inward manufacturing foreign direct investment as engine of development in peripheral economies. In each case, we study three specific questions: (1) the technological transfer from the subsidiary, (2) the mobility potential of the manufacturing activities of the subsidiary, and (3) the evolution of the quality of the subsidiary (integration in the territory and complexity of the activities realised) in time. In answering our questions we conduct fieldwork in the two countries. We interacted directly with stakeholders involved in the operations of each subsidiary including interviews with corporate managers and employees, data collection on subsidiary operations, and visits on production sites.

We analyze the main channels of technology transfer focusing on the quality of linkages each subsidiary established in the local economy, on the level of additional formal and informal knowledge benefiting the local labor force, and on the support offered to local suppliers in strengthening production activities.

We continue by identifying the main factors affecting the mobility of each subsidiary by differentiating between impeding and facilitating factors. Among impeding factors we concentrate on: (a) the resources (generic vs. specific) utilized by each subsidiary in the two countries, (b) market access opportunities in the local economy, (c) the nature of assets owned and engaged in realizing production activities, and (d) other factors constraining the mobility potential (exit costs and the level of integration of each subsidiary with other units of the multinational enterprise). With regard to facilitating factors we particularly consider the existence of substitute plants.

In responding to our third question, we look into the nature of linkages (developmental vs. dependent) established by each subsidiary with local suppliers. Furthermore, we examine not only the change in the level of complexity of functions and duties occurring during the operational life of the subsidiaries but also the specific factors that trigger such a change. Among the factors considered in our research are the decisions made by headquarters on allocation of responsibilities, actions taken by the managers supervising each subsidiary, and on the dynamics occurring in the local business environment. The similarities and differences found in the two cases cast doubts upon the contribution of this investment to the development potential of the economy of the host territory.

#### *Regional Development Policy*

### **REGIONAL ECONOMIC RESILIENCE: THE ROLE OF NATIONAL AND REGIONAL POLICIES**

**Christina Kakderi and Anastasia Tasopoulou, Aristotle University of Thessaloniki, GREECE**

In recent years, economic resilience has become a popular term both in theories of regional economic development and policy formulation. This interest was triggered by the fact that some regional economies were extremely vulnerable while others have managed to overcome more or less effectively the worse consequences of the unfolding waves of the current economic crisis. Within this context, questions arise regarding the role that policies at both the national and sub-national levels can play in shaping regional economic resilience. Although high in the academic and political agenda, understanding the policy and governance aspects of resilience still remains an underdeveloped area. Much of the literature to date focuses on the effectiveness of policy interventions (among others see Berkes, 2007; Bristow, 2010; Shaw 2012), yet little has been said regarding the most appropriate level of policy making and the timing for these interventions. The paper contributes to this debate focusing on the policy measures that enhance the ability of a region to respond to and recover from a crisis and provides a set of different policy recommendations at the national, regional and local level.

The paper is based on a case study of the Greek region of West Macedonia, as part of an ongoing ESPON research project on Economic Crisis: Resilience of Regions. The case study builds on the historical trajectory of the region in order to explain how different types of policies have influenced the ability of West Macedonia to respond to economic slumps and crises that have taken place over the last fifty years. During this period, West Macedonia went through a number of economic crises that affected its development profile and led to different recovery paths and experiences. These were general crises, with wider consequences and significant impacts upon the region's productive structure; sectoral crises, clearly visible only to those dealing with a specific productive activity and even crises caused by natural hazards (e.g. an earthquake that happened in 1995). By adopting an evolutionary perspective, the paper analyses the effect of policy choices at different policy making levels to the region's developmental trajectory. National protectionist policies of the last fifty years were the major force for bringing back the region to its equilibrium after natural or economic shocks and disturbances. Yet, the same policies contributed to the region's vulnerability by bringing rigidity to the local ecosystem and making it unable to respond and adapt to the challenges of the current crisis.

The paper is organized as follows. First, it provides a brief overview of the literature regarding economic resilience and the role of policies for building regional resilience. The second part is dedicated on the case



study of Western Macedonia starting with a review of the region and a description of the shocks and the consequent policy responses over the last fifty years. The following section discusses the results of this analysis gathering the major lessons that have been learnt. The fourth section generalizes some of these lessons by providing a set of recommendations for policy interventions, while the final section presents the paper's conclusions.

*Territorial Governance and Regional Leadership*

**PLACE BASED LEADERSHIP - DECONSTRUCTING THE ROLE OF UNIVERSITY LEADERSHIP IN REGIONAL DEVELOPMENT**

**James Karlsen and Rómulo Pinheiro, Agderforskning and University of Agder, NORWAY**  
**Paul Benneworth, University of Twente, THE NETHERLANDS**

Recent inquiries have brought together the concept of institutional entrepreneurship with the study of change within regional innovation systems (Sotarauta and Mustikkamäki 2011). In so doing, they have shed light on the potential for addressing unanswered queries regarding broader regional development processes by looking at the 'micro foundations' (Powell and Colyvas 2008) of regions and regional development. Seminal studies following the "old" institutionalism tradition remind us that leadership and power are intertwined (Selznick 1984). One area where these foundations remain to be adequately addressed pertains to the role of leadership and power in regional economic development, particularly in the tensions between collective regional leadership (Sotarauta 2007) and 'happy family stories' (Lagendijk and Oinas 2005). To address this issue, we therefore seek to: (a) explicate how actors constellate within particular regional contexts to create leadership capacity; and (b) explore how these competitive and co-operative tensions play out in practice. Some scholars conceive of institutional entrepreneurship as a strategic relay of power and knowledge in time (Sotarauta and Mustikkamäki 2011).

In this paper, we frame our analysis around the university rector position and explore how this role is played within university and with specific environments and actors in the region. The empirical material is drawn from recent qualitative studies on the regional role of universities in Northern Europe – Norway (Tromsø), Finland (Oulu) and the Netherlands (Twente). In each of the three cases, universities have historically been called upon to play an active role in regional development inter alia by help preventing negative 'lock-in' and contribute to regional upgrading by contributing to path- extension and/or creation (Garud and Karnoe 2012). Yet, such processes are politically and normatively laden thus raising conflicts and volitions. Due to the multiplicity of roles that universities play – within and beyond the region (Benneworth and Hospers 2007) – they are both part of the problem and part of the solution to some of these tensions. Hence, the paper address the following research problem: What role does the rector position play in shaping regional coalitions and power networks, and what effects (if any) do these have in processes of regional development and upgrading?

*Special Session 5: Housing and Urban Regeneration*

**WHICH ATTRIBUTES INFLUENCE THE HOUSING MARKETS ACROSS THE GREEK ISLANDS?**

**Dimitra Kavarnou and Anupam Nanda, University of Reading, UK**

This paper analyses drivers of the housing markets across the Greek Islands. Very little is known and documented about these markets in the literature. By reviewing the extant literature on housing market drivers in general, we delineate how various attributes characterise these housing markets. Heterogeneity in terms of properties, neighbourhoods, settlements, islands and groups of islands contributes to a diverse housing market comprising many submarkets with intrinsic distinctions and peculiarities. At the same time, political economy, the recent economic recession, complicated and unstable institutional frameworks as well as being an increasingly popular tourist destination in Southern Europe have created an environment with considerable housing `research interest. By using a unique dataset of properties, we apply the hedonic modelling to ascertain impacts of certain amenities and drivers that may affect housing values and market

functioning across the Greek Islands. Our results, while confirming the standard results from the broad literature, also reflect some distinctive effects in the Greek islands.

*Special Session 2: Small Trade in Post-Soviet Cities: Between Regulation and Informality*

## **LIMITS OF FINANCIAL GLOBALIZATION AND ITS IMPACT ON SMALL TRADE IN POST-SOVIET CITIES**

**Giorgi Khishtovani, Institute for Development of Freedom of Information (IDFI), GEORGIA**

By 2003 Georgia was a country with the biggest shadow economy in the world. As a consequence, state was unable to fulfill its main obligations mainly because of a lack of financial means. Thus was the Georgian government brought down in 2003. The new Government started to formalize the economic processes and deregulate the economy. Keynotes of their reform agenda were: fight against corruption, formalization of shadow economy and above all the participation in the process of rent sharing through appropriate tax collection policy. Rekhviashvili (2013) shows in her paper how such appropriate state policy can have a significant negative impact to whom their policies are aimed (in her case these were illegal vendors and small traders). Her research paper is a good basis for the analysis why a state in his state-building process can apply correct measures according to theory and nevertheless only the business groups related to state could represent the beneficiaries of state reform activities.

In order to clarify the question why and how from the perspective of the selected economic agenda was possible that such unintentional consequences occur, we should introduce the economical growth strategy chosen by Georgian government in 2003. The Strategy of high economic growth achievement was based mainly on a following paradigm: radical privatization of a state property, state promotion of a credit based growth, low taxes and minimal state policy in the process of regulation on private activities. State expectation regarding a chosen strategy was a massive increase of foreign direct investments (FDI) and a rapid credit based economic growth.

During the first period of governance the main objective of the state was to accomplish the engagement of illegal vendors and small traders in the newly constructed/renovated private market places that were built/renovated by the foreign investors. In general, these types of business activities demand huge investments. Similar to other state initiatives, state expected that the foreign investors will show great interest for such investment opportunities and bear entire investment costs. But actually, the attraction of FDI was harder than expected and it showed that the process of financial globalization has its limits. Right after it became clear, that the amount of FDI is considerably lower than initially anticipated, given condition has caused state reaction. First of all, state was forced not to fully rely on market coordination mechanism and interfere actively. Therefore state actors get involved in the ongoing processes. At this point, state actors saw an opportunity to capitalize their state positions. So finally, the situation emerged, in which main forces willing to build and administrate such private market places were politically connected local firms (PCF). At the same time, this condition reveals additional case, which is important while discussing about state-business relations in Georgia. Such newly formed business-units related to the state authorities are faced with the lack of own capital. So they depend on financing from private banks. Thereby bank financing is very expensive in Georgia and financing conditions for such projects are far too short-termed. In regard of expensive financing opportunities and unstable political relations, for the connected business groups arose necessity to develop very short-termed business plans. It would highly increase the costs of legality for the former illegal vendors and small traders. Instead of former model, as illegal vendors and small traders didn't pay to anyone any kind of charges within their trade activities or paid it only informally either to state officials or private persons to ensure their safety; after establishing a new model, there came at least three additional actors to the political arena hunting for their stake of rents from economic activities accomplished by former illegal vendors and small trades: state, politically connected owners of private market places and private banks who were financing these firms. As follows such commercial activities became not profitable both for new business groups and former illegal vendors and small traders.

Probably, shortly after these related groups decided to abandon the business model of constructing new private market places and have started to develop a new one, or rather to modify an old model (more precisely to formalize it). This Plan had an advantage of less capital-intensity and needed only a state

intervention regarding the regulating aspects of it. The benefit of the existing political connections for those business groups was granting of licenses for exclusively to those connected groups.

If we try to summarize the process of transition of Georgian model of economic development from this specific point of view, we can assume the following Proceeding. It started with the FDI-driven growth model coupled with the minimal state approach and finally transformed into small-scaled PCFs-driven model, financed by local banks and supported by different connected political groups who at the same time were dismantling state policy of deregulation while carrying out patronage to related firms.

#### *The Economic Adjustment of Regions*

### **REGIONAL STRESS PERFORMANCE IN EUROPE**

**Anastasios Kitsos and Paul Bishop, Plymouth University, UK**

In recent years, the concept of regional resilience has entered the research agenda of economics and gained significant popularity. Regions have to face the adversities not only of natural or man-made disasters but also the increasing financial pressures posed from economic downturns. Due to its multi-faceted nature and its potential impact, research on resilience is of interest not only in the field of economics but also in the social sciences and policy realms.

Empirical work on resilience looks into the topic with the application of mainly time series methods. The limited number of studies to date, usually measure resilience by the effects of economic pressures on local labour markets. Employment data are used and manipulated in different ways in order to reveal the impact of economic pressures in different localities. In addition, the majority of the existing studies in Europe tend to focus on single countries and their regions rather than looking into the resilience of places in different countries.

It will be argued in this paper that, even though employment data may be the best available single proxy of regional resilience, it does not fully capture the impact of a crisis on a local community. The impact, as well as the management of economic pressures is a multi-dimensional phenomenon which may not be fully represented by a one-dimensional variable. As a result, the study of the regional resilience calls for an exploration for a better measure of the effects of stresses on places.

This study will explore the possibility of creating a composite index which will reflect more accurately the impact of the ongoing crisis to the economic as well as the social conditions of places in Europe. This composite index of regional stress performance will look into the resilience of places in a variety of European countries and will allow comparisons among regions in different countries. Using Europe's NUTS II regions, the aim is to measure how specific places have responded to the 2008 crisis.

A number of variables will be considered, including but not limited to employment data, percentage of population at risk of poverty, R&D and others in order to create the index of regional stress performance. EU-wide data availability is expected to be an influential factor and as a result a number of options are examined. These include both the creation of a single index and options such as the creation of a country specific index which will be based on the same principles across countries to allow cross country examination.

The study will enable the academic and policy making communities to possess a common measure of how well a place has responded to the increasing pressures of the 2008 economic downturn. This measure can then be used to study the reasons behind the differences amongst places and lead to regional policy proposals and policies that will be better tailored to the needs of places and create more resilient communities.

## **INSTITUTIONAL BARRIERS TO GREEN ENERGY MARKETIZATION**

**Jon Knudsen and Jørgen Soot Kristiansen, University of Agder, NORWAY**

The paper examines the case of establishing a national net of electric charger station to serve the Norwegian fleet of electric cars. There is for environmental reasons an explicit political ambition to spur the relative growth of the number of electric cars in Norway to the detriment of the number of cars using fossil fuels. One of the preconditions for such a development to take place is the establishment of a fairly dense net of electric charger stations. The national political intention is that this net should emerge through the market. The paper examines why this is difficult to achieve. The main factor behind the failure to establish such a net is identified as institutional uncertainty pertaining to the rules of the game. No dominant institutional design has been established, and hence actors hesitate to enter the scene. The result of this is a retarded adoption process of an otherwise desired technology. The case is further discussed as an example of how institutional factors can influence adoption/innovation processes in general and more specifically delay transition to more sustainable social practices.

### *Regional Development Policy*

## **REGIONAL AND URBAN ECONOMIC RESILIENCE CAPABILITIES IN COMPARATIVE PERSPECTIVE. EMPIRICAL EVIDENCES FROM TWO GERMAN STATES.**

**Florian Koch, Laura Kirchner, Daniel Speda and Rüdiger Wink, HTWK Leipzig, GERMANY**

### **Background**

Almost 20 years after the collapse of the Berlin wall and the creation of a (re)-united German federal state the current financial and economic crisis unearths once more the remarkably different regional economic capacities to resist endogenous as well as exogenous shocks. Thus, the constant economic adjustment already achieved, inter alia sustained by permanent financial aid from West-to East Germany, is still incomplete. Indicators like firm size, number of multinational firm headquarters, number of patents as indicators for innovation and inward migration prove this still existing disparity in regional economic performance. This is even more surprising because Saxony and Baden-Württemberg can be seen as two comparable Regions due to their similar economic policy to focus on constant industrial innovation. Moreover, they exhibit a similar economic structure based on some remnants in Saxony from the pre-world war II period as well as its special role under the former Socialist-regime.

### **Theoretical approach**

We understand regional economies as adaptable systems along co-evolutionary pathways in a multi-level context (Martin, 2010). Consequently, we focus on regional endogenous capabilities to cope with external shocks. The intensity of the respective economic decline shows the degree of regional economic vulnerability to a certain “shock” which is itself determined by the degree of the regional economic integration into global economy. Hence, this view allows a typology along the degree of openness starting from so-called “encapsulated” to “highly open” regional or urban areas.

Moreover, this perspective requires to investigate on the one hand economic stabilizers, i.e. pursued economic pathways in line with possible negative effects and routinely applied institutional arrangements and on the other hand the endogenous capabilities to create new or to enforce related pathways.

In addition, the specific role of the multi-level governance structures – European-, state-/national, regional- and local- level needs to be investigated in particular with regard to their short-, mid-, and long- term performance, in order to cope with global economic crises.

### **Methodology**

In our explorative case study we use a mixed-method approach. First, we started to gather key information - in particular the employment rate and GDP per capita as main indicators - which allowed us to compare the

German State Baden-Württemberg with Saxony. Based on these results we compared NUTS-2 regions and their regional metropolises in the two states. These profiles allowed us to generate hypotheses and categories. These concepts and assumptions were tested qualitatively in expert interviews.

In the framework of our qualitative research we held more than 50 semi-structured mostly face-to-face interviews with representatives from local, regional, national and supranational institutions as well as representatives of chambers, NGO's, trade unions, scientists.

These interviews covered existing or changing regional economic pathways, institutional evolution and regional strategies as well as instruments on the one hand to overcome the economy crises and on the other hand to enforce regional resilience capacities.

## Results

As already expected the investigated regional and urban areas chose different strategies to increase their economic resilience. While on the regional level Baden-Württemberg as a typical bounce-back region suffered a sharp decline due to its high vulnerability but managed to recover rapidly and become ever stronger, Saxony could absorb quite successfully minor negative effects of the financial and economic crises.

On the urban area level both regional capitals - Stuttgart and Dresden - can be seen as examples of highly exposed urban economies that remained in fact more vulnerable but managed to increase their adaptive capabilities. In contrast Leipzig and Freiburg as examples for "encapsulated" areas benefit on the one hand from their lower degree of economic integration measured by the export quota and on the other hand from the dominant service sectors, especially the inclusive educational sector. Pforzheim as an example for a slow-burning and poor international-orientated economy is a singular case which struggles already over 30 years with its former dominant jewelry sector in decline.

Striking is the overall reported importance of learning effects from previous crises, in particular the relevance of co-evolutionary developments along existing political and private institutional pathways.

## *Developing Rural and Peripheral Regions*

### **DIVERSITIES OF REGIONAL RESILIENCE. CASE STUDIES FROM RESOURCE PERIPHERY IN EASTERN FINLAND**

**Juha Kotilainen and Eero Vatanen, University of Eastern Finland, FINLAND**

Changes in the global economy and division of labour as well as changes in technologies have caused regions with a strong dependence on the exploitation of their natural resources to undergo changes in the structures of their local economies. This paper explores two cases in Eastern Finland, where the resources economy has played a crucial role in the past, but where there have been, for decades, conscious attempts to overcome constant crisis by introducing new lines of industrial production and new sources for local livelihoods. While some of these have been based on imported raw materials (industrial production of tires, clothing and plastic products), others (bioenergy, tourism) have drawn from local natural resources. The attempts have been a mixture of national scale policies and local endeavours.

The paper suggests a framework for studying regional resilience in regions which draw a major part of their income from local natural resources. Resilience is defined as a region's capacity to react, adapt and foresee changes. In this framework, changes in population, employment, extraction of natural resources and ecosystems and the physical environment each contribute to aggregate changes, but on a different time-scale each. Each of these sub-developments is path-dependent in its own way, adding to the overall path-dependency of the region. In assessing the resilience of a region, different results are reached depending on which sub-category of change is in focus.

The paper presents two long-term case studies from Eastern Finland. As research material, the study utilises and compiles statistical data from Statistics Finland, historical narratives from various sources on local

developments, and published studies on local histories. Methods include statistical analysis of population change and employment figures as well as qualitative research to understand local developments. In the case study regions, the size of population peaked in the mid-20th century, after which it has decreased continuously with slight changes in the rate of decrease. Regarding the local economies, on the other hand, there has been a pattern in which the rise and fall of an economic sector as measured by employment has been followed by the rise and fall of another economic sector. These economic sectors include agriculture, mining industry, industrial forestry, manufacturing, as well as public and private services. Therefore, focussing on population the regions have suffered from continuous lack of resilience; however, focussing on employment, it can be concluded that the regions have been resilient due to their ability to recover, several times, from economic disruptions caused by the development of less labour-intensive technologies and transformations in the global economy and division of labour.

It is concluded that national scale regional development policies have had an effect on local employment, i.e. they have contributed to regional resilience, as long as the policy measures have been active. Once the active measures have ceased to exist due to political changes on the national scale, the employment effect has started to decrease as well. The effectiveness of regional development policies has therefore been very temporary, and the regional development policies have not been able to create capacities for adaptation in the local economy.

Focussing on the extraction of natural resources reveals that the regions have switched from utilising one resource to another after it has turned out difficult to maintain the existing livelihoods and industries. During decades, the ecosystems and physical environments providing the resources have been modified to meet the needs of the local economy. However, if there are changes in the economy on a larger scale, while the social-economic sphere might be able to adjust, it may take a much longer time for an ecological/environmental system to change into a new path, in effect hindering the capacity of the social-ecological system as a whole to adapt. An overall regional resilience, therefore, consists in the spatially manifested parts of ecosystem/environmental resilience, sustainability in natural resource utilisation, resilience in industrial development, and resilient population change, each of these different levels of regional resilience also having impact on one another.

*Culture, Creativity and ICT*

## **LIVING ENVIRONMENT OF CREATIVE CLASS – EVIDENCES FROM SLOVENIA**

**Jani Kozina, Research Centre of The Slovenian Academy of Sciences and Arts, SLOVENIA**

In this increasingly developed knowledge society, creativity is gaining great meaning. Recent development paradigms consistently list it as one of the key factors of economic growth and the development of cities, regions and a progressive market economy in general. In recent times, creativity has very often been connected to creative class. Numerous empirical studies have indicated that their choice of residential location is disproportionate in terms of the regional division as well as of the urbanization level. Here, the locational factors play an important role as they may attract the creative work force to one environment and manage to retain it there. In this context it is important to answer two key questions: where do members of creative class reside and why do they choose to live there.

Evidences from Slovenia showed that creative class in Slovenia adhere to a similar percentage of the work force in other highly developed countries; this is also the occupational group that has increased in number the most compared to others (agricultural, production and service) in the last decade. The spatial distribution analyses showed that, similar to other countries, creative class in Slovenia is unevenly distributed. Taking into account the selected regionalization, a lower concentration is typical predominantly for economically less developed regions in Eastern Slovenia, while a higher concentration occurs in more developed regions in the western half of the country, with the highest concentration expressed in the most developed Central Slovenia. This region has seen the biggest expansion in terms of size and the concentration of inhabitants in creative occupations in the past decade. Concerning the settlement urbanization level, the concentration of inhabitants in creative professions is higher in more urbanized settlements; however, contemporary settlement processes run towards a deconcentration from heavily urbanized settlement types to more sparsely settled suburbanized

and rural settlements. A specialized analysis determined the relatively high level of spatial immobility creative class, which is most likely the reflection of a strong attachment to the local environment and of an extremely immobile real estate market and work force in Slovenia.

The most important spatial distribution factors for creative class with regard to residence in Slovenia are living environment quality, identity, access to work place and access to services. Additionally, important differences were identified in the mentioned factors from the aspect of the selected regionalization as well as the settlement urbanization level. Despite this, based on result comparisons between other similar studies in Slovenia, it may be stated that the residential preferences of creative class in Slovenia do not differ substantially from the preferences of the majority of Slovenians who wish to reside in an individual residential real estate object in a green environment with well-developed infrastructure and consequently good access to the work place and different types of services (supply, hospitals, leisure activities and other).

#### *Special Session 6: Mega Event Planning: The Impact of the Olympics and World's Fairs on their Host Cities*

### **IMPACT OF MEGA EVENTS ON HOST COUNTRIES AND CITIES**

**Rahim Küçütaş, Ministry of Development, TURKEY**

In the process of deindustrialization, economic restructuring and globalization process that emerged after 1980, international mega events have become significant instruments for attracting foreign direct investment, modernizing economic infrastructure, promoting urban and regional areas, and restructuring cities. Short-term and high-profile organizations such as Olympic Games, World Fairs and FIFA World Cups have generally been evaluated in terms of their effects on tourism and economy. These mega events are generally associated with urban development and symbolic constructions bequeathed to urban areas. Mega events also influence the daily lives of hosting nations with their far reaching consequences.

The main aim of this study is to identify the potential effects of mega events on host countries' economies. In this context, the literature on mega events such as Olympic Games, EXPO World Fairs and World Cup is surveyed. Furthermore, by examining the latest mega events that Turkey currently stands for, the potential risks, costs and benefits of these events on Turkey have been tried to be identified.

The study reached to the conclusion that, contrary to what is believed, these events do not produce huge economic benefits and generally unfeasible. In contrast, they may result in long-term debts and constantly money-losing facilities because of maintenance and operating costs. On the other hand, these events make positive social, cultural and psychological contributions on hosting nations. By utilizing the information and insights acquired through the study, some recommendations have been developed for successfully hosting the three mega events that Turkey stands for the year 2020.

#### *Entrepreneurship, Enterprise and Business Climate*

### **ATTRACTING LIFESTYLE ENTREPRENEURS TO AMENITY-RICH RURAL COMMUNITIES**

**Sreya Kumar, Vancouver Island University, CANADA**

While many rural communities are experiencing depopulation and economic decline, others are experiencing rapid in-migration and significant economic growth. Many youth chose to leave their rural community to attain better employment and education opportunities elsewhere, communities experience a decline in their youth population (Marcouiller et al., 2002). Innovation and economic diversification is needed in times of loss of human capital and job opportunities. This research is focused on the study of a unique group of entrepreneurs called lifestyle entrepreneurs and their motivations to migrate to rural isolated communities. Lifestyle entrepreneurs align their businesses with their passions, personal values and lifestyles; and these enterprises play a vital role in enhancing quality of life in the regions they operate ( Marcketti, et al. 2009). Lifestyle entrepreneurs can play a vital role in rural economic transition.

Amenity Based Rural Development relies on the protection, promotion and valourisation of natural and cultural amenities to attract human capital and profit into rural areas. Innovative opportunities for economic development emerge within the amenity based rural economy (Vagueios, 2013). The purpose of this study is to find a link between the various amenities of a rural place and their influence towards attracting lifestyle entrepreneurs specifically. This study will define these influential amenities by exploring the values, characteristics and traits that are common to lifestyle entrepreneurs in rural communities in the sunshine coast and Vancouver Island region, British Columbia. The objectives of the research are to determine whether these rural communities promote their amenities and if they do, how they market it outside of their remote community; and to what extent their promoted amenities influence the lifestyle entrepreneurs in migration. Lastly, it is important to showcase how these lifestyle entrepreneurs capitalise on these promoted amenities to benefit themselves and the rural community. The study uses a case study method, comparing two amenity rich regions in British Columbia. In-depth document analyses and semi-structured interviews with established lifestyle entrepreneurs and other bodies supporting and marketing entrepreneurial activities in the community will be performed. This study will help those involved in rural development to capitalize on new knowledge gained about lifestyle entrepreneurs and the amenities that draw them to place.

#### *Territorial Governance and Regional Leadership*

### **ORCHESTRATING 'STRATEGIC COUPLING': A SHARED, PLACE-BASED LEADERSHIP APPROACH OF REGIONAL CLUSTER GOVERNANCE**

**Arnoud Legendijk, Radboud University Nijmegen, THE NETHERLANDS**

**Miranda Ebbekink, Radboud University Nijmegen: NSM - IMR, THE NETHERLANDS**

To better grasp the extraregional dimension of regional clustering, recent literature has focused on the nexus between clustering and Global Production Networks, employing the notion of 'strategic coupling'. An intricate question remains what strategic coupling means for cluster governance and leadership. How do interventions geared towards strategic coupling engage with the myriad of organically grown external links of local businesses and organisations? What kind of intelligence is required for such interventions, and how is the gathering of intelligence organised? What is the possible role for investing in 'missing links' versus investment in 'club goods' such as training and cluster branding? And what does this mean for governance and leadership? Using evidence from three Dutch cluster initiatives, this paper elaborates on a cluster governance model based on shared, place-based leadership, with an important role for civic entrepreneurs and branding activities.

#### *Special Session 10: Economic Adjustment and Resilience of Commercial Landscapes*

### **TOWARDS A CONCEPTUALISATION OF THE EVOLUTIONARY TRAJECTORIES OF HIGH STREETS**

**Dionysia Lambiri and Neil Wrigley, University of Southampton, UK**

**Les Dolega, University of Liverpool, UK**

High streets have rarely evolved in smooth and 'linear' ways. Planning and development control policy changes, the emergence and rapid increase in internet sales, competitive shocks but also macroeconomic factors such as periodic economic booms and busts have meant that the evolutionary trajectories of high streets have often been subject to interruptions and disruptions. Moreover, and as a result of the diverse nature of complex economic systems such as high streets and local town centres, adjustment to disturbances has been multifaceted and, as of yet, not fully explored.

Overall, the evolutionary trajectories of high streets can be seen to be affected by two types of disturbances: (i) gradual, longer run processes of change- often referred to as 'slow burns'; and (ii) unexpected shocks-both, endogenous to the economic system of a high street/town centre, and exogenous. Both types of disruption have the capacity to alter the configuration of retail centres; however, the nature and extent of this reconfiguration may vary.



Having as a starting point the differential performance of UK high streets following the shock of the global economic crisis as this is highlighted in recent empirical research (Wrigley and Dolega, 2011), the aim of the paper is to construct a conceptual framework that will help explore the evolving configurations of high streets and unveil the complex –albeit critical– components of the transformation process that high streets undergo. The paper engages with recent debates in evolutionary economic geography around the concept of adaptive resilience of economic systems, and as such approaches high street resilience as a dynamic process of constant change.

In this context, the paper aims:

- (i) To identify the various stages of this adaptive process that high streets undergo –growth, consolidation, release, reorientation –focusing in particular on the latter stage– which has been largely unexplored in the relevant literature.
- (ii) To offer an understanding of the internal processes and factors that affect the ability of town centres and high streets to respond to change–both long-term and unexpected. In this context, we highlight the importance of exploring the interdependencies that exist at different spatial scales.

This then leads to the question of what is the role (if any) of interventions (and what kind) as an enabler/facilitator of this adaptive process.

#### *Community Economic Development*

### **MEASURING ECONOMIC RESILIENCE: THE SLOVENIAN CASE**

**Lucija Lapuh, Anton Melik Geographical Institute, SLOVENIA**

The paper develops methodological framework for the analysis and measurement of economic resilience, which is understood as the ability to cope, withstand, absorb or overcome an external negative event produced by the perturbing action. The research is strongly influenced by the traditions of evolutionary economic geography. As resilience is a complex approach the research follows following steps and suggests a combination of factors which contribute to resilience. First, literature review on resilience' measurements was conducted. Second, as the regional structure before the crisis is important for the later development, the following socio-economic factors (constructed by indicators) have been identified from analysis of the literature to determine stress, recovery and resilience: level of economic growth, specialization, export and social structure. As a region's social and economic structure becomes more diverse, it becomes less sensitive to external shocks. Third, stress and recovery will be calculated for selected variables that determine economic downturn. Empirical observation will be done for Slovenian statistical regions.

The study's interest is to find out how regions responded on shock and which socio-economic factors influence the most on the regions' resilience. The results will provide us with the information which regional structure is the most resilient on disturbing effects as the economic recession is. In addition, Slovene regions will be examined and ranged according to their response/affectedness, whereas some prospects will be given in term of future capacity/resiliency building.

#### *Developing Rural and Peripheral Regions*

### **YOUTH MOBILITIES AND THE VOCATIONAL EDUCATION SYSTEM IN PERIPHERAL DENMARK**

**Karin Larsen, Centre for Regional and Tourism Research, DENMARK**

Public discourse within the media and public policy-debates in Denmark often simplistically portrays the relationship between rural youth, mobility, and educational attainment as one of mobile youth (often female)

leaving underdeveloped localities in order to obtain higher education in urban centres, while the less mobile youth (often male) stay behind in rural peripheral areas and make up the local unskilled labour force (Bloksgaard, Thidemann Faber & Hansen, 2013). Although much more nuanced, research within rural education has tended to support such rather one-sided representations by focussing on the role of education as a disembedding function, supporting out-migration of youth from rural areas (James, 2001; Beck & Ebensgaard, 2008; Corbett, 2009) and supporting a dichotomisation of youth who pursue higher education and leave their rural homes on the one hand, and youth who choose to stay and do not pursue higher education on the other. Within economic geography, there has also been a bias on focussing narrowly on the highly-educated, where theorising on urban development and the role of higher education institutions (Rutten, Boekema & Kuijpers (eds), 2003) have been dominant for a number of years and the preferred objects of study have been the 'talented' (Winter & Hansen, 2009), the creative class (Florida, 2002) and/or the cognitive/cultural workforce (Scott, 2008/ 2009). Many of these theories take their empirical point of departure in North-American and UK capitalist systems, where the role of the vocationally-trained is very different than in Denmark. By focussing too dichotomised on the outmigration of the highly-educated on the one hand and the immobility of the local unskilled work force on the other, research has tended to underestimate the role of the vocationally-trained for local development in peripheral areas of Denmark. In many rural and peripheral municipalities, the VET-trained make up almost 50 % of the local workforce.

The Danish Vocational Education (VET) system is structured so students alternate between school teaching and learning in an apprenticeship position in a public or a private enterprise. VET students must choose a vocational education program, find a school (local or non-local) which offers the specific program and find an apprenticeship position (local or non-local). Due to the limited number of local school programs as well as limitations in the number and varieties of local apprenticeship positions, many youth from rural areas, must be highly mobile in order to complete their VET education. Some travel to complete their school programmes, others to find apprenticeship positions. The effect on more permanent residence choices and availability on local labour markets is unknown. Little research has studied the mobility trajectories of youth from peripheral areas who pursue a vocational education. Are there socio-economic stratifications which characterise youth who pursue a vocational education compared to those who only complete basic schooling? What is the effect of local and non-local access to vocational education? ; i.e. does pursuing a vocational education outside local areas lead to disembedding, or do other factors determine mobility patterns connected to choice of vocational education and choice of residence, for example job availability? Are there gender-specific patterns?

The focus of this paper is on the mobility requirements at the individual level in order to attain and complete a vocational education if you are from a rural area in Denmark. My research questions are:

1. How do education choices affect place of residence and educational attainment for youth from rural areas?
2. What are the mobility patterns of youth from different rural municipalities connected to what type of education they choose and what education programs are offered locally? How does gender and socio-economic status effect mobility patterns?
3. What are the perspectives for the Danish Vocational Education system and its geographical distribution, especially in rural municipalities in Denmark?

The empirical evidence which is presented in this paper primarily derives from register-data from Statistics Denmark and follows three cohorts of youth aged 15-30 from different peripheral municipalities in Denmark and traces their residential and education choices as they move through the vocational education system. A comparative analysis with national patterns is also provided. The purpose is to map mobility patterns of youth based on family background, gender, education choice and particular labour market structures. The study is carried out as a background mapping of mobility patterns before carrying out qualitative research on youth motivations for different education choices.

**PROXIMITY, KNOWLEDGE INTERACTION AND POLICY INTERVENTION AS PROCESS: A CASE STUDY OF THE CHANGING AUTOMOTIVE CRASH-SAFETY SECTOR IN REGION VÄSTRA GÖTALAND, SWEDEN**

**Anders Larsson, University of Gothenburg, SWEDEN**

The automotive sector is currently facing a number of rapidly evolving challenges including financial instability, overcapacity and not the least new environmental and safety concerns from both customers and the society at large. Being able to quickly innovate and develop technology and production processes is key in order for firms in traditional sectors to stay competitive in the increasingly global market. At the same time, policies on several scales seek to support the future position of automotive regions in the wake of increasing competition and technological change. However, in order to successfully match relevant policies with current problems one needs to take into account the time dimension.

One prominent set of literature argues that proximity is key for the efficient interchange of knowledge as it facilitates learning and innovation and thus supporting regional development. The last decade has seen a theoretical development of the proximity concept towards a more complex understanding where the interplay between physical, social and other forms of relational proximity is in the forefront of analysis. This opens up for a more sensitive analysis of the role of different proximities, especially the impact of social and institutional proximity on local and regional policy processes.

This paper seeks to understand the role of proximity as a supportive or limiting factor for the synchronization of policy interventions and technological change in a regional context.

Automotive crash safety, traditionally a stronghold for the Swedish car industry, has been selected as a case to illustrate a process of technological change and policy response. The product/technology logic is currently changing from one based on cumulative product-centred activities towards one characterized by combinatorial knowledge driven network-based integration of different technologies and sectors. At the same time policy actors have shown a long-term interest in the automotive sector and several programmes have been launched in order to safeguard the continuation of employment, production and innovation in the region.

This study applies a micro-level case study approach with a detailed biographical account and analysis of actor-policy interactions and their time-space dynamics.

The role of proximity was found to be very important for the development of crash-safety technology in the region. However, there are profound differences between traditional manufacturing innovation logic and current attempts to widen the scope and geography of the regional knowledge base.

Engineering based innovation was found to be associated with tight supplier relations based on cognitive and geographical proximity. A new regional knowledge research centre initiative illustrates the potential negative impact of high degrees of social and cognitive proximity working as conservative forces against opening up to a wider context. It is furthermore clear that policy had no influence or position under the traditional engineering paradigm, while it does play an important role in the current process of reinventing the automotive crash-safety knowledge base in the region.

Results also point to the fact that policies tend to be formulated as responses to current regional and/or sectorial problems and therefore become re-active rather than forward looking and pro-active. On the other hand, there are indications that national policy can have a pro-active influence on technological change on the regional level.

**REPRESENTATION OF POPULATION DISTRIBUTION BASED ON RESIDENTIAL BUILDING TYPES BY USING THE DASYMETRIC MAPPING IN SEOUL, KOREA**

**Sukjoon Lee, Bo Yeong Hong, Sang Wook Lee, Hongmin Eom and Kyung-min Kim, Seoul National University, REPUBLIC OF KOREA**

In the urban planning research, it is important to know a detailed distribution of residential population in the city. It can be a primary index explaining various socio-economic activities occurred in urban regions. The distinct form of population data, however, has problems of privacy violation and information confidentiality. Thus, presented data are released after aggregating personal data into certain spatial boundary. For this reason, studies that require analysis in detailed spatial unit or different statistical boundary from given condition is restricted to insufficient reliability of the result.

The aim of this study is to reproduce the residential population distribution in Seoul, Korea more precisely through the dasymetric mapping method. Dasymetric mapping can be defined as a mapping method to calculate details from truncated spatial distribution of main statistical data by using ancillary data which is spatial data related to the main data.

In this research, there are two types of data used for dasymetric mapping; the population data (2010) based on a census track survey in Seoul as the main data and the building footprint data including register information as ancillary spatial data. From these data, it is possible to get a precise understanding in density of the residential population. To elaborate the mapping model, this study assume that 'All of the population lives in residential buildings'. Using the binary method, it extracts residential buildings as actual areas residents do live in. After that, the regression method is used for calculating the weights on population density by considering the building types and their gross floor areas. Finally, it can be reproduced three-dimensional density of residential population and drew a detailed dasymetric map.

As Consequences, the estimated population from this model has less applications and errors compared to the models from existing researches based on land-use properties. Also, this allows to extract a more realistic calculating model of population distribution and draw a more accurate map of population distribution in Seoul. This is attributed to using residential building occupancy and three-dimensional data including gross floor area by building types in more practical situations.

The estimated population data of each building resulted from this study is reproduced by specific spatial unit. This provides detailed information of population density without confidentiality problem in information. Therefore, this study has an important meaning as a source which can be applied in various researches concerning regional population in the future.

**MEASURING AND ESTIMATING THE IMPACT OF INNOVATIVE HUMAN CAPITAL ON FIRM PERFORMANCE: IS THERE A ROLE FOR PUBLIC POLICY?**

**Helena Lenihan and Helen Mc Guirk, University of Limerick, IRELAND**

Innovation is a well-recognised determinant of growth in firms, regions and in the economy as a whole, although explaining why (and how) firms innovate remains a challenge for academics and practitioners alike (Montalvo, 2006).

The knowledge-based theory of the firm emphasises the central role of the individual as the source and creator of knowledge (Grant, 1996). Individuals are also the main actors in innovation. Human capital is the aggregation of knowledge and skills (Al-Laham et al., 2011). It promotes growth and development through increased productivity of labour and capital (Mathur, 1999) and is the 'cement' that holds "knowledge and innovation systems together" (Soete, 2007, p. 279).

The literature lacks a clear measure of human capital, though education and training have long been used as proxies to measure it (Cohen and Soto, 2007). Of late, it has been recognised that the individual's management capabilities, for example, complement their education attainment (Ganotakis, 2012). There is recent evidence that such capabilities, prior work experience, trust and open-mindedness merit examination (e.g. Arvanitis and Stucki, 2012; Ganotakis, 2012; Fitjar and Rodrigues-Pose, 2011).

It is also increasingly apparent that measuring and defining human capital solely in terms of education and training (i.e. its more tangible elements) is too narrow; a more holistic measure and concept of human capital is called for. This novel measure/concept of human capital, which we term Innovative Human Capital, includes both traditional and the more intangible elements, such as job satisfaction and willingness to change work practices. The latter comprise the more innovative aspects of human capital, thus leading to the term Innovative Human Capital (IHC).

The prime contributions of this paper can be summarised as follows: firstly, we extend the standard measure of human capital to encapsulate not only tangible but also intangible elements of the individual. Such an approach allows us to create a holistic IHC concept. Secondly, we take IHC and estimate its effect on firm-level innovation, identifying the factors external (e.g. entrepreneurship and diversity in regions) and internal to the firm where IHC currently exists. Thirdly, we use a unique pooled data set to test our eight hypotheses. Finally, the research assesses the implications of our findings regarding the role of public policy. Our research addresses the questions: does IHC contribute to firm-level innovation?; what factors affect IHC? and can public policy promote and support IHC?

It is important for firms and policy makers to identify the competitive advantage yielded by employees' innovative characteristics as a valuable resource to develop. The role of the managers is instrumental in firms' innovation activities: managers make decisions about how to allocate resources, set priorities, and filter ideas (Leiva et al., 2011; Storey and Salaman, 2005). Managers are therefore key to the study of IHC.

The current paper focuses on Ireland, though we believe that the IHC concept developed, applied and analysed here has broad-based application regardless of country context. Ireland's current enterprise policy as evidenced inter-alia in the 'Action Plan for Jobs' focuses on job creation and innovation for growth and recovery (DEJI, 2012). Ireland's innovation performance remains stable with a modest growth rate of 0.7 percent between 2008 and 2012, as recorded in the most recent European Commission's 'Innovation Union Scoreboard' 2013 (European Commission, 2013a). Placed in the 'Innovation followers' group along with Belgium, Austria and UK, Ireland is ranked in the top ten of the EU27 countries with human resources and economic effects (i.e. knowledge-intensive service exports and licence and patent revenues from abroad) being particular relative strengths. In relation to its demography, with a population of 4.58 million (2011), Ireland has a growing proportion of the labour force with tertiary education (CSO, 2011). From the last population census in 2011, 38 percent of people in Ireland aged between 25-64 years had a tertiary education, increasing from 25 percent in 1996 (CSO, 2011). This increase in educational attainment is mirrored in other OECD countries; for instance in 1995, the OECD average was 20 percent compared to 39 percent in 2010 (OECD, 2012, p 68). While PhD graduates represent a small proportion of overall tertiary education, the rates of PhDs have doubled over the past 15 years (OECD, 2012). This continuous increase in Ireland, supported in part by the availability of free third-level education introduced in the 1990s, may diminish the competitive value of tertiary education in the future; this emphasises the importance of developing IHC.

#### *Territorial Governance and Regional Leadership*

### **DIVERSITY WITHIN REGIONS, A STRENGTH OR WEAKNESS FOR REGIONAL DEVELOPMENT? THE CASE OF WEST SWEDEN**

**Magnus Lindh, Cerut, SWEDEN**

Taking the central argument for the conference, that a 'variety of economic activities as well as divergent local cultures within the region is a source of regional strength and resilience', as its departure; and building upon

the assumption that 'top-down' assessments of a supranational European Union must be balanced and linked to 'bottom-up' assessments of how such development are perceived by regional policymakers, institutions and elites, this paper focus on how the well-known asymmetry and variation of how regional actors in Europe handle EU-affairs are deconstructing and reconfiguring the institutional linkages between the regional and supranational level in the case of West Sweden.

Regional governance has become an important vehicle to drive and implement European and national policy strategies. Most recently, the Europe 2020 strategy for smart, sustainable and inclusive growth and the research and innovation strategy for smart specialisation highlight the potential of regional governance on economic development and social innovation. For this discussion, it is important to recognize that the EU, by now attempting a more integrated and thematic approach to deliver and implement a growth strategy. This approach embarks upon a more integrated and holistic way of thinking that provide for a 'thicker' regional agenda for regional policymakers to act and react to. In particular, since 2010, the various EU institutions, led by the European Commission, have increasingly stressed, and sought to strengthen linkages between key policy remits and frameworks at its disposal and thus to 'thicken' the top down pressures being downloaded into the sphere of regions and regional policymakers. The question is to what extent regions are able to unfold the potential for growth, structural change, skills development, research and innovation in this system of multilevel governance.

As the European Union promotes the coordination and connection among regional actors, this paper looks at the case of how the West Sweden Regional Office in Brussels - that have served as an institutional link between the EU and local and regional actors in the Western parts of Sweden since 1992 - are closing down as a consequence of internal rivalries among the 72 members' on how to handle issues of regional development in the context of a multilevel governance system.

This paper argues that an asymmetric process of Europeanisation - in terms of vertical and horizontal action - among local and regional actors has lead to a reconsideration of their engagements in a joint regional office in Brussels. A greater diversity of preferences triggers a bottom-up reconfiguration of regional capacities favouring new structures on a smaller scale.

Theoretically, this paper builds upon two strands of literature. First the concept of 'Region Action', that focuses on regional actors as agents for change. To put it simple, 'regional action' refers to those consciously; rationally-taken political measures by regional policymakers that seek to transmit and promote regional interests in an EU-related framework. Second, in order to grasp the dynamic and asymmetrical picture of regional action in Europe we need analytical concepts that specifically acknowledge more general elements of European integration and, at the same time, will be sensitive enough to accommodate the nuances of the more contextual aspects. For this reason fusion approaches represents a good point of departure. Fusion literature argues that a European fused polity is emerging; in which regional activities and potential involvement in EU-policy making process are related to the processes of Europeanization. This literature identifies two important dimensions of Europeanization, vertical and horizontal. These dimensions are fruitful to understand and analyze how the regional level interacts with the European Union.

The vertical dimension contains of both down-load, as well as up-load activities. First, there is a downloading process by the EU, which basically explains the top-down adaptation of domestic regional structures and processes, as a consequence of increasing demands from EU-policy making. Second, there is a horizontal 'sideways' process where we can see co-operation among regional actors and institutions on the formulation of ideas, preferences and models that shape the notion of the regional interest in relation to supranational governance. The final phase refers to an uploading process in which the regional positions on EU questions are transferred to the supranational level.

By analysing the debate and interviews of different members of West Sweden, a great variety of preferences on how regional and local levels should handle EU-affairs, in relation to regional development, are identified. The pattern of preferences is further developed within the analytical framework that builds upon the theoretical concepts that has been described above. As a conclusion, it seems important to add a political dimension of 'interest' and 'power' to the concept of a 'variety of economic activities' and 'divergent local cultures' in order to assess regions potentials for sustainability and stability in economic growth and development.

**AS DEMOGRAPHY SCARCITY IN ALENTEJO REGION CONSTRAINS 20 YEARS OF COHESION POLICY EFFECTS IN LOW DENSITY ÁREAS - THE CASE STUDY OF ALQUEVA MULTIPURPOSE PROJECT AS ANCHOR OF RURAL DEVELOPMENT**

**Ana Louro, Eduarda Marques da Costa and Nuno Marques da Costa, University of Lisboa, PORTUGAL**

This paper is focuses on the contribution of one major regional project on rural development in Portugal. According with the OECD, 92% of the EU-25 territory is classified as rural área, where are 56% of the population and 53% of employment, a similar patten verified in Portugal, being extremely important the existence of the Rural Development Policy for Europe. Keeping the above criteria, Alentejo region, in southern Portugal, is a rural region, with low population density, well defined polycentric urban system, a very aged population and na economic development below the European average. In line with the European Rural Development Policy, also the National Strategic Plan for Rural Development 2007-2013 for Portugal presented as axes, among others, "Improving the competitiveness of the agricultural and forestry sector", "Improving the environment and the countryside" and "Improving the quality of life in rural areas and diversification of the rural Encouraging economy". In this sense, the search for solutions to the challenges of Alentejo region, and consistent with the current European and national policies, is under development over the last decades a large project with regional impact – Multipurpose Alqueva Project.

The Multipurpose Alqueva Project (EFMA Project) aims to be the anchor project of regional development of Alentejo, with Alqueva Dam as the most iconic infrastructure, the largest dam in Western Europe, creating the largest artificial water reservoir in Europe. The Project is referenced in the Alentejo regional development documents since 1957. Despite the major structures in operation already exist, the project also have some phases in development. With the main aim of managing shared water from the Guadiana river, as the project name indicates, the concept of multiple purposes related to water resources management aims to be reflected not only in the management of water supplies and their distribution, but also in the production of clean energy, development of agriculture through a new irrigation system, or tourism, among others. It is expected, in addition to direct results in a wide range of themes already mentioned, some indirect impacts translating into new improving on regional economy, quality of life and environmental conditions. Being a large project, both financial and physical, it requires a long term regional planning at various scales and combining several actors. EU Community Funds have been central to the implementation of the various stages of the project, verifying in this last cycle of 2007-2013 the integration of investments from Regional Policy, through the Operational Programme “Territorial Enhancement” and Regional Operational Programme of Alentejo, and investments from PRODER - Rural Development Programme for Mainland Portugal.

This paper is organized in the following points: 1. framework of Alentejo region, especially understanding their strengths and weaknesses, potentials and threats, as well as some recent economic, social and environmental, and their potential connection to the EFMA Project; 2. analysis of the presence EFMA Project in the main guidance instruments for regional development (PROT - Alentejo) and national development (PNPOT), namely its objectives; 3. analysis of the implementation of EU funds from the Regional Policy in the last three cycles of community programming - 1994-1999 , 2000-2006 and 2007-2013 - either directly to the implementation of major infrastructure associated with network management of water resources of EFMA, and other projects linked to EFMA Project in sectors as tourism, or culture, among others; 4. finally, given the size of the project as well as the wide variety of impacts that causes in infrastructure, employment, tourism, energy, society, among others sectors, a chronological summary of the press in the last 15 years will present in order to understand not only the evolution of the facts, but also the identification of conflicts and the sensitivity of public opinion about the several impacts of the EFMA Project in Alentejo Region.

In conclusion, although it is not possible to assume that the EFMA Project have been the only key on changes of Alentejo region, the truth is EFMA Project is present in regional and national policies as an multifunctional anchor project and is a relevant axis on allocation of Community funding both regional and national instruments in the last cycles of Community programming (1994 to present). EFMA Project has also been an enabler of change of the Alentejo's landscape, previously characterized almost exclusively by a mounted landscape, being now possible to find large areas of olive groves and vineyards, among other crops, recently enhanced by the dispersion of the irrigated area. However, despite the potential of the project, not all changes

were positive for all agents - population, decision-makers, politicians, investors, etc., causing some conflicts. With all this, it is undeniable the importance of the development of EFMA project in Alentejo region so far, expecting the increase of regional dynamics after the completion of the entire infrastructure, particularly in sectors such as agriculture, energy and tourism.

*Role of Institutions in Regional Development*

## **DOES CENTRAL-LOCAL PARTISAN ALIGNMENT MATTER FOR REGIONAL DEVELOPMENT? EVIDENCE FROM AKP'S TURKEY**

**Davide Luca, London School of Economics, UK**

The importance of political local coalitions in shaping local governance structures conducive to economic growth has been a subject of research for numerous years (Rodríguez-pose, 1998) both in rich economies (Wood & Valler, 2004; Wood, 2008) as well as in emerging countries (Bayirbag, 2010; Dulupcu, 2005). In spite of such amount of research, little attention has yet been paid to the partisan political relations between the central state and the local coalitions, as well as the role of political conflicts between such levels, in hampering local and regional economic performance. Very recently scholars have argued that in countries where political factors may play a strong role in providing privileged treatment to people and constituencies with the right political affiliation, tense central/local relationships may inhibit local governance structures in promoting growth. The channels through which such impact may generate include providing particular incentives to neighboring aligned regions so as to stimulate investments' relocations, unfavorable treatment of nonaligned businesspeople via legislative and administrative mechanisms, and reducing the amount of public investments necessary for development.

The current paper will exactly try to test such predictions by exploring whether tense central-local political relationships – which will be proxied by the level to which local constituencies are politically unaligned with the government – determined slower regional economic growth.

To this aim, following Besley et al. (2010) the paper defines a model of political economic growth accounting for standard socio-economic determinants of regional economic growth, as well as political alignment variables. The identification strategy is based on a Fixed-Effect estimator and the exploitation of a panel data for the 81 provinces of Turkey over the period 2004-2011.

Turkey provides an interesting setting to test such research puzzle because of the increasing political polarization that has occurred between the opposition political parties and the Adalet ve Kalkinma Partisi (Justice and Welfare Party, AKP) government led by Erdoğan since 2002. It is thus important to explore whether the highly heterogeneous regional economic trends recorded in recent years are, at least in part, explained by such increasing political polarisation.

The literature exploring how electoral political institutions influence policymaking and, consequently, economic growth is not completely new (Persson, Tabellini, 2003). The majority of such political economic research has focused on cross-country differences, on the ground that the most relevant sources of variation in institutional settings are observed at the national, rather than sub-national, level. Yet, even within the same macro-institutional framework, analysing the potential impacts of electoral politics and opportunistically-motivated economic policies at the sub-national level can offer important insights to such literature. The research results can also inform policy-makers from other emerging countries similar to Turkey, where there are concerns that the failure to provide impartial and effective public governance may undermine the efforts to achieve economic development (Heper, Keyman, 2006)

Preliminary results suggest that areas politically unaligned with the central government grew slower over the period 2004-2011. Results are robust to controlling for standard socio-economic factors which may drive regional economic growth, such as public and private capital investments, human capital and population growth, as well as to the inclusion of factors specifically able to control for the structural change that Turkey's emerging economy is undergoing, namely the rapid employment shift from agriculture to manufacturing and the fast-paced trend of urbanisation. At the same time, however, the magnitude of such political impacts on



regional economic performance is significantly smaller than the one of the key regional socio-economic factors. This suggests that political nonalignment does not topple standard economic factors in driving regional growth performance.

*Tourism and Experience Economies*

## **INFLUENTIAL FACTORS OF THE TERRITORIAL DISPARITIES IN THE TOURISM OFFER OF NORTH TRANSYLVANIA**

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Explaining spatiality has been in the focus of tourism geographers since the beginnings, and the examination of spatial processes still represents a major challenge for researchers, knowing that there is no segment in the functioning of society in which spatiality is not present. Regional Geography is very suitable to be the stanchion of tourism-related research through its experience and developed methodology. The approach was to consider tourism as a complex spatial phenomenon, in order to explain better its processes.

The research focuses on North Transylvania, also known as North-West Development Region, one of the most authentic and colorful regions of Romania, with rich and diverse tourism offer. Furthermore, North Transylvania's position on national and wider European context is strengthened by its favorable geographical position, natural resources and values, developed transportation system, attractiveness from economic point of view, cultural diversity and valuable tourism potential. Tourism and tourism development is a priority in the region's development plans, however the substantiation documents focus only on tourism potential and the activity's role in the regional economy. Romanian literature abounds in descriptive research of the region, discussing quantitative and qualitative issues, attraction classifications and geographic dispersal. However, a serious deficit manifests in explanatory research. Such inquiries could contribute to a more academic side of tourism studies, and especially to policymaking, planning and management.

Therefore, this paper aims to understand not only the spatial characteristics of North Transylvania's tourism offer, but also the context of regional processes. Within the comprehensive discussion of tourism's territorial aspects, the paper enables us to see behind the factors influencing territorial disparities in the region. In addition, due to the fact that the study of inequalities and disparities also includes the exploration of similarities, the paper also aims to draw attention upon uniqueness and specific character.

In order to reach our goals regional analysis methods were used, sourcing secondary data from the National Institute of Statistics, the National Authority for Tourism and official tourism planning documents. These methods were chosen due to their wide range of solutions for analyzing disparities and similarities, and different regional processes. The analysis of the influential factors required a multi-stage analysis, using linear correlation coefficients, linear regression calculations, factor analysis and a 'soft' multidimensional method, the SWOT analysis.

The study brings novel results for tourism planning, the whole tourism industry and marketers as well. In addition, this paper, as a case study of North Transylvania's tourism offer, demonstrates how regional analysis methods can be used in tourism-oriented research.

## **THE ECONOMIC IMPACT OF THE ELI R&D INFRASTRUCTURE AND SCIENCE PARK IN THE SZEGED SUB-REGION**

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The implementation of the Extreme Light Infrastructure Attosecond Light Pulse Source (ELI-ALPS) laser research centre in Szeged will create unique opportunities for both Szeged and Hungary from political, scientific and economic development aspects, however the countless generated effects will only obtain their real, and extremely significant potential if a science park emerges around the ELI-ALPS that specializes in the execution of knowledge-based activities. The desired ELI Science Park will be quite specific and unique compared to other territorial concentrations (industrial parks, industrial areas, other science parks, etc.)

The basis of the ELI Science Park is the deservedly and internationally acclaimed scientific output of the University of Szeged, which is the main deployment factor of the science park. Due to this, prospectively a wide range of research activities will be present in the park. Only a minor part of this will be in connection with laser-oriented applications and hence will be closely connected with the ELI-ALPS, focusing on IT, medical imaging, biology and biotechnology (proteins, particles, particle radiation, x-ray, examination of tumours, pharmaceuticals, materials science, and nanotechnology)

In our study we attempt to quantify the impact of the ELI and the Science Park on the local economy based on a sophisticated international methodology. We quantify the so called direct, indirect, induced and catalytic effects separately. Regarding the general roles, we will quantify the measurable and well-predictable effects of income and workplace generation. The results will be correlated to the income of the population of Szeged for the purpose of easy understanding.

## **INNOVATION AND ORGANIZED INDUSTRIAL AREAS IN TURKEY: TO WHAT EXTENT DOES LOCATION MATTER?**

**Kari Makelainen, University of Turku, Business School, FINLAND**

Manufacturing industries in developing countries typically emerge as import substituting ones, or low-cost exporters, who utilize locally available cost-advantageous inputs, such as cheap labour. The technology required for such operations is usually imported, and there is very little if any indigenous research and development work regarding industrial processes and products. Thus, the products of such industries rarely have a competitive edge except for prices. Yet the capability of such industries to become innovative is crucial for further economic and societal development. It is widely seen that the capability to produce higher value-added products requires at least some degree of innovation activity, and such capability is essential in order to achieve higher levels of income and development. Indeed, innovativeness and development have become almost synonymous. Thus, 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.

What enables innovation has been studied in great detail in Europe and North America, the traditional industrial powerhouses of the world. Both the innovating firm and its environment have been subject to intense research efforts. Innovation inputs, such as research and development spending, personnel, and government incentives have received great attention, as have outputs such as patents. The location of innovation actors in relation to each other, whether they are firms, universities or other producers of new knowledge, has been a particularly popular subject of study. There appears to be a widespread consensus on that it is beneficial for innovation to have such actors located close to each other. The importance of this is highlighted in industrial policy making as well, where a belief in innovative clusters characterizes the actions of decision-makers.

However, innovation in developing countries has received little attention, despite the rapidly growing manufacturing industries in East Asia and elsewhere in the past decades, and the importance of innovation to further development. Turkey is one of the so-called Next11-economies which, following the better-known BRICS, are expected to rise in prominence in the near future. Indeed, Turkey's manufacturing industries have witnessed rapid growth in terms of both production and exports in the past years. Yet innovation in Turkey has been studied little. There is little information as to what extent innovation actually takes place in Turkey's manufacturing industries and what impact, if any, have the policies of successive Turkish governments had on it.

Rapid and often uncontrolled urbanization has been part of Turkey's growth story. New residential buildings and industrial facilities have mushroomed in Turkey's cities in a way which is witnessed in other emerging economies as well. In 2000, a law on organized industrial areas (organize sanayi bölgesi, OSB) was passed in Turkey, with the purpose of encouraging manufacturing companies to move in specific geographic locations, where public utilities could be provided with greater ease and better control exercised over the negative consequences of industrialization (such as pollution). While increasing innovativeness may not have been one of the chief motives behind this law, it could be reasonably expected, based on the studies of industrial agglomerations in other countries, that companies from the same or similar industries located in close proximity to each other would become more innovative. This research studies the innovation activities in Turkey's metal and engineering industries, covering companies both in and outside OSBs. Patent data, including locations of patent holders, is analyzed, and comparisons are made between OSB and non-OSB companies regarding their innovative performance. The results will tell to what extent OSBs have had an impact on innovativeness in this industry in Turkey.

*Tourism and Experience Economies*

## **TOURISM AND EXPERIENCE ECONOMY: A FIELD RESEARCH**

**Stefania Mangano, DISPO, University of Genoa, ITALY**

The immersion in the territory authenticity makes a trip unforgettable, a memorable experience. When this condition occurs we talk about experiential tourism that is characterized by the match with the history, the arts, the landscape, the culture, the handicraft and the natural environment of a specific place. The main objective of experiential tourism is the development of the territory, both from the point of view of the natural and the anthropic environment. For this reason it is increasingly common the idea that the experiential approach goes together with sustainability (Belletti e Berti, 2011; Buffa e Matini, 2012).

The development of experiential tourism creates a widespread prosperity by assigning new roles to unproductive spaces, time and territories. Moreover, in a historical moment in which the competitiveness of the tourism product based on prices suffered a setback it is necessary that competitiveness is guaranteed through the implementation of alternative strategies. The spread of online travels sale changed national and international tourist scene. In order to gain a competitive and lasting advantage, the tour operators have invested on differentiation based primarily on the marketing of memorable experiences.

Among other things, if the online travels sale (flights and accommodation) is managed by foreign operators, the experiential tourism sale on the web still offers great chances to Italian operators. In this sector, in fact, a local operator guarantees the knowledge of the area and the sold product that a foreign one cannot provide. Obviously this is essential.

Internet is important for issues related to experiences before and after the trip, not only for the issues related to the sale. During the preparation of a trip, reading the experiences of other travellers can play a decisive role in choosing a destination. Comments on the web are equivalent to word of mouth for those who are preparing a holiday.

The case of Italy fits well in this context of renewal. In recent years, Italy has lost competitiveness and has a great need to innovate channels and ways of tourist supply. The journey must represent a way to live and to

experience the places, not just a way to see them. The tourist/traveller will remember the emotions experienced by visiting the sites of the story (such as the Colosseum and the Fori Imperiali) or some natural areas (such as the Dolomites), he will not remember the hotel or the flight.

Also the visits to exhibitions and/or museums can be an unforgettable experience. These structures thanks to the technology become a real "sanctuary of experience", here the visitor is like an actor.

The Galata Museo del Mare in Genoa, a coastal town in Northern-West Italy overlooking the Tyrrhenian Sea, is certainly a tourist attraction in which to achieve a high impact experience.

Galata is considered the largest maritime museum among the Italian maritime museums for the quality and innovation of its reconstructions. Visitors can immerse themselves in scientific and formal high-quality reconstructions which faithfully reproduce the lives of sailors, passengers, emigrants and immigrants.

One of the aims of this article is to verify how the experience strategy has influenced the stage and the philosophy of Galata museum by interviews with some witnesses. Another one is to verify, by distributing questionnaires and analyzing the visitors comments written in TripAdvisor (one of the most important travels web portal), how and as the experience of the Galata tourist was profound and unforgettable.

*Clusters and Smart Specialisation*

## **DYNAMICS OF CLUSTER DEVELOPMENT: LESSONS FROM ENERGY VALLEY CLUSTER**

**Anu Manickam and K. van Berkel, Hanze University of Applied Sciences, THE NETHERLANDS**

Clusters development takes place in an increasingly changing and complex context where global and local developments are interconnected. Various regional and innovation studies recognize the need for place-based studies to include the larger context in which clusters and regions are found. Interest and discourse on the value of complexity approaches to cluster studies is increasing, with the aim to gain deeper understanding of processes taking place in complex cluster development. This discourse was initiated by Martin & Sunley (2003) and explored extensively by Cooke (2012) in his study of 'complex adaptive innovation systems'. Work in this area of research is limited and empirical study could add to understanding the complexity of cluster development.

The purpose of the study was to recognize plausible systemic relations in the various aspects that contribute to cluster development taking place in an increasingly complex world. The research intended to develop a framework that could support understanding dynamics of cluster development in their complex contexts. The study drew on literature from complexity theories, evolutionary economic theories and mapped this onto regional and innovation systems theories to support strategy development in policy.

The research studied the Dutch energy cluster that is undergoing both major energy and social transitions and therefore presented a case study of a complex cluster. The study carried out 25 interviews of stakeholders that spanned local energy co-operations, local, regional, national and EU level policymakers, academia and research centres, major gas corporations and small and medium-sized businesses in the energy cluster and civil organizations. The energy clusters covered 4 provinces and this too was included in the interview scope. The case study was qualitative and embraced a multi-perspective, multi-level systems approach inherent to complex adaptive systems' perspectives. The paper will demonstrate the framework that has been developed with illustrations from Energy Valley cluster and some of the issues that the work raises.

The framework has four areas that capture respectively the initial cluster condition, cluster context, cluster dynamics and cluster performance. The framework expanded these four cluster aspects in turn to include the following features of systems and cluster studies, namely, path dependency, container, stakeholders, fitness to landscape, attractor, significant differences, transforming interactions and emerging patterns.

Through the exploratory study, the initial framework has been modified and an attempt has been made to show the inter-relations between these various aspects that contribute to cluster development. The research

focused on a single case for the empirical study but was supported by literature and policy evidence and inputs from experts to strengthen the proposed framework and insights that have emerged from the study on energy clusters and cluster development in general.

The EU's call for regions to identify and develop Smart Specialization strategies for regions and the support for clusters as innovative spaces on which regional strategies could be built on, demand instruments that could support policymakers' need to understand cluster development and their workings. The insights and conceptual framework presented in this paper offer policymakers systemic insights into cluster emergence. This, in turn could strengthen developing insightful smart specialization strategies.

#### *Labour Markets and Migration*

### **POLYCENTRISM, FUNCTIONAL URBAN REGIONS AND LABOUR MOBILITY IN PORTUGAL – CONTRADICTIONS BETWEEN SUSTAINABLE DEVELOPMENT OBJECTIVES AND UNSUSTAINABLE PATTERNS OF MOBILITY**

**Eduarda Marques Da Costa and Nuno Marques Da Costa, Lisbon University, PORTUGAL**

Promote polycentrism and urban-rural relations become main objectives for a sustainable and cohesive development of EU regions. ESDP (EC, 1999) and the following spatial planning and territorial cohesion orientations (from Territorial Agenda of the European Union, 2007 to Europe 2020, 2010) refers the importance of polycentrism at different scales (namely for EC countries at national and regional level) as an instrument of convergence and equilibrium of regional systems. In Portugal, the publication of National Spatial Planning Strategy and the subsequent regional plans incorporates polycentrism and urban-rural relations as key concepts for the reorganization and development of functional urban regions that promote economic development and regional valorisation of human, natural and cultural values.

The main objective of this paper is to discuss and confront these national and regional planning strategies with the reorganization of functional urban regions evolution shaped in the regional labour systems evolution. The study is structured in three parts: a first brief theoretical discussion related to polycentrism and territorial cohesion; a second part, where Portuguese national and regional spatial planning strategies are presented highlighting the regional territorial development models; a third part where functional urban regions defined by the evolution of daily movements of the last twenty years are analysed, since 1991 to 2011.

Data show the evident enlargement of labour regional markets. At same time, the reorganization of public and private services was characterized by the reduction of units and the enlargement of its service areas. This trend on regional reorganization was only possible by the increase in the use of private car, clearly showed by the shift on the modal share of labour related travels. Despite main goals of territorial cohesion are achieved this was been supported by a mobility model based on the use of private car. This trend conflicts with the EU sustainable transport policy and the achieving of a clean urban and commuting transport system (EU, 2011). On the other hand, a model supported on the use of private car increase the inequity of the transport system depriving a significant part of the population from mobility access for economic, age or gender reasons.

#### *Clusters and Smart Specialisation*

### **THE CONTRIBUTION OF SOCIAL INNOVATION TO SMART SPECIALISATION STRATEGIES**

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Ranald Richardson, Newcastle University, UK

The objective of this paper is to explore how social innovation can complement the smart specialisation strategies currently being developed in all EU member states. It will start by reviewing the different meanings of social innovation (SI) to help distinguish it from traditional innovation. We will argue that SI can be defined along two main axes: first using the values invoked to define it and second according to the domains that it is

applied. Underlying both these axes is the importance of process, with a strong emphasis on the need to involve individuals and end-users, alongside more traditional stakeholders; and the context-dependence of SI, due to the specificity of each national regime regarding the funding of social enterprises and third sector organisations. We will then use those meanings to explore how SI can contribute to smart specialisation strategies, using as a guide the four core aims of these strategies: 'choices', 'competitive advantage', 'critical mass' and 'collaborative leadership'. Subsequently, we identify those that are likely to be the main agents in SI processes and we list both their potential and the challenges that they might encounter. Finally we explore how SI can provide a specific contribution to address societal challenges, with a particular focus on ageing

#### *Clusters and Smart Specialisation*

### **IDENTIFICATION OF AREAS OF SMART SPECIALIZATION IN A DIVERSIFIED REGION. CASE STUDY ON WIELKOPOLSKA, POLAND**

**Monika Matusiak, Poznan University of Economics, POLAND**

The article has two purposes. Firstly, to present a range of quantitative and qualitative methods used to identify the areas of smart specialization in a diversified region exemplified by Wielkopolska. Secondly, to show the results achieved, including both the economic and scientific specialization, the former based on location quotients, a survey of 3500 companies and in-depth interviews with regional actors, and the latter based on bibliometric studies, parametric assessment questionnaires and in-depth interviews with key scientific institutions. The broad scope of the research conducted made it possible to identify the areas of smart specialization in a region with a diversified and quite traditional economy.

#### *Innovation and Knowledge Economies*

### **SCIENTIFIC POTENTIAL AND RESEARCH COLLABORATION OF A SMALL COUNTRY – THE CASE OF SERBIA**

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**Agnieszka Olechnicka and Adam Ploszaj, University of Warsaw, POLAND**

Scientific collaboration on articles and research projects becomes increasingly important trend due to the globally emerging necessity for sharing resources, skills and competences (Andrade et al. 2009). Observing the national level of science systems, small countries have been assigned specific position in international scientific community, in respect to their scientific potential and patterns of collaboration. Facing both constraints and challenges due to their size, small countries have been argued to exercise higher level of international scientific collaboration primarily by the reason of limited financial and intellectual resources (cf. e.g. Thorsteinsdottir 2000a; Thorsteinsdottir 2000b; Schott 1987).

Existing literature on Serbia's scientific potential observed within the framework of National Innovation System (NIS), indicates that this geographical area (Western Balkan countries) obsolete research and technological infrastructure (Matakovic et al. 2013; Kutlača et al. 2011), along with a large deficit of industrial demand for applied research, very low business expenditure on R&D, relatively aged human potential in R&D confronted with the negative effects of the internal and external brain drain, and suboptimal integration into European research and technology projects. Thus the interesting question is whether it is possible to strengthen the scientific potential of a small country through the scientific collaboration.

The aim of this study is to present scientific potential of Serbia on a regional level and analysing its interregional and international cooperation patterns on the basis of bibliometric analysis of co-authored articles indexed in the Web of Science for the period 2006-2010. Literature review conducted within this study shows that such a research is very rare, sporadic, and mostly related to specific scientific fields or disciplines (cf. e.g. Lazar & Sokolovska 2012). The assumption that Serbia demonstrates low level of interregional and international scientific collaboration will be tested. Such examination is considered to be significant due to

adopt viewpoint that enhancement of scientific collaboration in the case of small countries like Serbia increases their visibility and scientific potential.

#### *Developing Rural and Peripheral Regions*

### **EXPLORING PROCESSES OF REGION-SPECIFIC RURAL DEVELOPMENT IN FLANDERS.**

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**Elke Rogge and Joost Dessein, ILVO, BELGIUM**

A variety of global processes of change affect and challenge rural areas all over Europe. Policy, social, environmental and economic change processes, in combination with globalization as an overarching process have resulted in homogeneous and uniform rural areas. Rural areas have become increasingly interchangeable. There's a significant loss of the diversity of rural landscapes, rural products, farming techniques and crops, and other cultural and environmental differences of rural areas. As a reaction to this, a growing attention for place-based rural development can be witnessed in society, science and policy.

These change processes have also had an impact on rural areas in Flanders and we also notice more attention for place-based rural development. In Flanders, a substantive part of place-based rural development initiatives emerges at the regional level. This regional level is situated between the provinces (NUTS 2) and municipalities (LAU 2). It is at this intermediate, regional level that bottom-up and top-down initiatives meet. On the one hand, local actors often cooperate and organize bottom-up development initiatives on a regional level. On the other hand, government focuses more and more on the regional level. In other words, the region emerges as an operational interface between established public administrative levels to enable better coordination and implementation of top-down policies and to enhance and create institutional space for bottom-up, place-based strategies. The Flemish government defines place-based rural development as region-specific rural development.

In this paper we explore how actors and policy interact in processes of region-specific rural development in four rural regions in Flanders. We have conducted semi-structured interviews and organized focus groups to investigate this. We analyzed the themes indicated by regional stakeholders as relevant and crucial for future regional development, as well as their strategies for region-specific rural development. Second, we scrutinized how the rural development policy of Europe, Flanders, the provinces and the municipalities all together shape and guide the regional strategies for region-specific rural development in the case study regions.

Our analyses have shown that the stakeholders involved in region-specific rural development in all the regions, have a very similar profile. When looking for a wide range of actors involved in region-specific rural development, it seems that the same kind of people can be found in every region. This leads to similar constellations of rural development actors in each region. Second, the stakeholders involved in our research all indicated several themes which they found important for the development of their region. Although the themes were rather numerous and diverse, we could easily distinguish four broad themes that are crucial for the future rural development of the case studies. What is striking, is that these themes appeared to be the same for all the four case study regions. Respondents of all regions all indicated the following themes as key themes for future rural development in their region: 1) open space and landscape, 2) tourism and heritage, 3) regional identity and regional brand, and 4) livability and mobility.

The analysis of the rural development policy affecting the regional stakeholders in the development of their strategies has revealed that all the case study regions are affected in the same way by the European and Flemish rural development policy. The differences that influence region-specific rural development are mainly at the provincial level. And these differences don't concern the provincial policy, but rather the provincial organization for rural development. Overall, we can conclude that the interaction between policy and regional stakeholders is dominated by a top-down approach by the Flemish and provincial governments. It seems that the Flemish government as well as the majority of the provincial governments (with exception of West Flanders) prefer a steering and controlling role in region-specific rural development. They haven't taken up their roles of enablers and supporters of rural development. They still interfere at the regional level and want to maintain control over what happens in regions. In that respect, the Flemish and provincial governments

don't really succeed in their objective to enable region-specific rural development and they are 'stuck' in their roles of steering, planning and controlling development.

*Role of Institutions in Regional Development*

**EXPLORING THE INTERFACE OF AFFORDABLE HOUSING STRATEGIES AND HUMAN CAPITAL MARKET IN CHINA**

**Julie Tian Miao, University of St Andrews, UK**

This research argues that the confounding nature of Sino-capitalism is exacerbated by disjuncture between China's centralised aims and controls and its emerging array of decentralised local governance choices. While the discrepancies within either China's techno-economic domain (TED) or social-institutional domain (SID) have been discussed, the incoherence between these domains remains overlooked. This study proposes an exploration of the interface between i) labour market policies, underpinning the growth of the knowledge economy and driven by increasingly decentralised TED policies, and ii) the provision of affordable housing, fashioned by centralised SID policies that retain China's socialist aims for social stability. In the UK housing for key workers remains a concern. In China, however, the housing-labour market interface is likely to be more problematic as a result of the potential governance disjuncture – with companies driven by the market logic and households competing for homes in the state system of affordable housing provision. Therefore this research aims to address two questions: (1) Profile Chinese policy evolutions and governance for labour markets and affordable housing and; (2) Identify disjunctures in the different mixes of state-market relations in different regions. Three case studies on Beijing, Shanghai and Wuhan will be conducted, as they are China's Human Capital Special Zones and have explicit affordable housing construction plans. Desk-based literature review and fieldwork in the three cities will be adopted to explore the aforementioned questions.

*Entrepreneurship, Enterprise and Business Climate*

**REVERSAL OF FORTUNE OPPORTUNITY COST AND ENDOWMENT EFFECTS ALONG STAGES OF ENTREPRENEURSHIP**

**Tomasz Mickiewicz, Mark Hart, Nick Theodorakopoulos and Frederick Nyakudya, Aston University, UK**

Although we know that start-up rates of small firms differ across countries and within regions, the role of individual resources and capabilities and contextual influences on different stages of entrepreneurship is under-researched (Van der Zwan et al. 2010; 2013).

Recent evidence from 69 Global Entrepreneurship Monitor (GEM) countries demonstrated that in 2012, about 14.7 percent of the adult population between the age of 18 to 64 years were actively involved in new-business endeavours, while 7.3 percent were owners of newly established business (Xavier et al. 2013). Yet, there is a significant variation in the start-up rates between countries (Kelley et al. 2011; Levie and Hart 2011). To illustrate this point, amongst the more advanced economies, adult population involvement in early stage entrepreneurial activity varies markedly from 13 percent in the United States, to 10 percent in the UK, to only 4 percent in Italy and Japan; the lowest figure during the same period (Xavier et al., 2012; Hart and Levie, 2013). Some of the factors affecting cross-country differences in entrepreneurial activity have been acknowledged (e.g. Autio and Acs, 2010; Aidis et al. 2012; Estrin et al., 2013). Moreover, the determinants of entrepreneurial stages have been investigated at country level by Van der Zwan et al. (2010; 2013). In contrast, our understanding of regional entrepreneurial activity remains relatively limited (Tamásya, 2006; Fritsch and Mueller, 2006; McIntyre and McKee 2012; Williams and Williams 2011; Jayawarna et al. 2011; Lee et al. 2011), and to our best knowledge the stage of entrepreneurship approach has not been yet applied to explore the role of within country variation in the start-up process.

Another particular gap in the literature is that while country level studies now distinguish between environmental and individual effects (again, e.g. Autio and Acs, 2010; Estrin et al., 2013), there is not much



evidence of this approach applied at the regional level. Given that there is significant variation in entrepreneurship rates not only across but also within countries, such an examination at a regional level would help us gain an in-depth understanding of the role of the individual level resource endowments and the local context along the different stages of the entrepreneurial process (Levie and Hart, 2012).

Accordingly, the objective of this study is to examine whether and to what extent both the individual level resource endowments and the resources in the local environment combine to influence an individual's decision to engage in the different stages of the entrepreneurial process. To this effect, we draw on the resource-based theory of entrepreneurship (Alvarez and Busenitz 2001).

At the same time, we overcome the limitations of previous studies that have investigated the determinants of entrepreneurship through the use of binary choice models (Blanchflower et al. 2001; Grilo and Irigoyen 2006; Vivarelli 2004). The latter do not consider the fact that the creation of a new firm is a process rather than an outcome of a single binary choice and determinants of it may vary across the different stages of new firm formation (Davidsson 2006; Reynolds 2010). We show that the weighting of individual and contextual factors tend to change along the entrepreneurial stages, with contextual, local environment factors becoming less important in more advance stages. Consistent with this, we see our main contribution in considering how the role of both various individual resources and context changes along the different stages of the entrepreneurial process.

This study distinguishes between four stages of new firm formation which are referred to as entrepreneurial stages. These stages include two pre start-up stages: considering and intending to start a business in the next three years and two early stages of new firm formation: nascent entrepreneurs and new business owners (see also: Reynolds et al. 2005). We examine determinants of the likelihood of being involved in these different entrepreneurial stages applying multinomial logit as an estimator on the Global Entrepreneurship Monitor (GEM) data (2006-2009) with 8,269 respondents who reside in the East Midlands region. The study contributes to the literature and discriminates across five categories – an entrepreneurial inactivity category and four stages of the entrepreneurial process (see also Grilo and Thurik 2005b; Grilo and Thurik 2006; Vivarelli 2004). Our data allows for simultaneous testing of the effect of resources at both the individual and the regional (sub-national) level across these different stages.

*Regional Development Policy*

## **THE CHALLENGES OF NEW REGIONALISM: TOWARDS MODERN COMMUNITIES AND TERRITORIES**

**Katarzyna Miszczak, Wrocław University of Economics, POLAND**

New Regionalism allows local communities for more intensive engagement in processes of social and economic transformations and optimal realization of challenges faced the contemporary territories. Modern communities and territories are characterized by new ways of thinking, activities and relationships among them. The new phenomena occurring in regions or cities are based on assumptions of holistic and networking paradigm. At the same time, regions are becoming increasingly fragmented in many ways: economically, socially, environmentally and also politically. The governance of regions faces multi-level, multi-actor and multi-sectoral challenges. More flexible forms of governance are beginning to emerge which seek to work around traditional governmental arrangements. The result is a complex pattern of overlapping governance and fuzzy boundaries, not just in a territorial sense but also in terms of the role of public-private cooperation, consensus and management leadership. These new arrangements cause many as yet unresolved dilemmas concerning the transparency, accountability and legitimacy of decision-making in modern regions. For developing countries, a crucial issue is whether and how regionalism can be part of a successful development strategy. Management forms of regional or local governance are introduced making best practice, implementing PPP (Public-Private Partnership) concept and Strategic Policy Intelligence tools, like benchmarking or foresight. Necessity of further researches over forming of new situation of economic region is one of the most important conclusions done in the paper. Multitude of dilemmas related with new regionalism constitutes assumption for systematic studies and analyses devoted development of territorial units level NUTS 2 (but also other levels).

The paper contains ascertainties that changes taking place in the structure of modern territory and transformations in modern society are/or will be still determined by processes of transfer of technologies and innovations, diffusion of creativity and glocalization. Author interprets the glocalization as an indigenization of globalization which refers to as postmodern “hybridization”. Glocalization represents a shift from a more territorialized learning process bound up with the nation-state society to one more fluid and translocal. Culture has become much more mobile, human software employed to mix elements from diverse contexts. New Regionalism as a paradigm for regional development emphasizes smart, inclusive and sustainable economies. In particular, the author presents a framework for analyzing new regionalism which should include determinants such as endogenous growth theory, trade-productivity links, place-based policy and the role of regional economic resilience in overcoming the effects of the global economic crisis.

*Special Session 3: Critical Studies of Urban and Regional Development*

**WHO IS DESIRED IN THE DESIRABLE REGION? - REGIONAL DEVELOPMENT, CITIZENSHIP AND THE STRUGGLE FOR ATTRACTION**

**Tomas Mitander and Andreas Öjehag Pettersson, Department for Social and Cultural Studies, Karlstad University, SWEDEN**

This paper explores the discourse of regional competitiveness through the lens of citizenship and what can be understood as desired regional inhabitants. The current development of regionalization and regional development policy in western democracies is based on certain understandings of regions as surfaces of attraction on a globalized market of capital. The regions path to success is connected to a discourse of competition where growth, prosperity or even survival is dependent on the capacity to attract different forms of capital (people, money, corporations, knowledge etc.) to the region. This discourse of competition for development has led to the adaptation and formulation of policies that strive to transform the region in ways that are desirable for such capital. Richard Florida’s theory of the creative class has in this context had a strong impact on regional development policies around the world. The theory constructs the relations between growth, creativity and people in a specific way that also leads to certain notions on how to be desirable and who the region should attract in order to be successful.

The concept of citizenship will be used as an analytical tool for studying power structures that is connected to processes of forming regional spaces and subjectivities. In other words, the link between the desirable region and the desired citizens can be explored as a productive practice that shapes notions of citizenship. We investigate these notions of citizenship present in the highly influential theories concerning the ‘creative class’ first introduced by Richard Florida in order to explore the productive claims between attraction and citizenship. We argue that the general rationality of globalization and regional competition produces certain representations of citizenship and that regions deploy different techniques in order to attract what they perceive as desired citizens.

We then proceed by illustrating how the rationalities present in the theories of the creative class are manifested within regional development plans in the Nordic countries and how they get concrete effects in terms of citizenship. We especially raise questions on how aspects of gender, ethnicity and class come to play within regional development policies for attractiveness. In a concluding section we turn to discussing the implications in terms of inclusion/exclusion, equality and democracy problematizing issues of “who is desired in the desirable region”.

**Cecilia Möller and Eva Olsson, Cerut, Karlstad University, SWEDEN**

This study explores gendered commuting patterns in a Swedish-Norwegian border region. In Swedish Värmland, 5462 inhabitants commuted to Norway in 2009, of which a significant share (36 percent) represented commuters from Torsby, Eda and Årjäng municipalities. Cross-border commuting is here defined as work related mobility across a national border, including daily and weekly mobility. Previous studies have shown that cross-border commuting may be beneficial for the 'sending' municipalities, contributing to a low unemployment rate, local tax revenues, fewer social allowances and even a healthier population. Research has described cross-border commuting as a deliberately chosen lifestyle, as well as being driven by economic motives in terms of higher Norwegian salaries. Statistics show that men are overrepresented both as 'ordinary' commuters on a national scale as well as cross-border commuters. Moreover, women constitute only 30 percent of cross-border commuters compared to 40 percent of commuters crossing a municipal border. Previous research has shown that men commute farther and more frequent compared to women due to women's family obligations and everyday life puzzle strategies. Few studies have explored gendered commuting patterns in border regions and how women and men's participation in cross-border commuting vary depending on distance, motives, experiences, possibilities and obstacles.

The purpose of this study is to analyse the patterns of cross-border commuting with a focus on women's and men's motives, strategies and conditions for commuting from Sweden to Norway. The research questions include; what differences and similarities of men and women's commuting can be distinguished in terms of age, family, income and other social factors? How do women and men experience the effects of their commuting on their everyday life, including participation in their family life, social relations and domestic responsibilities? The study is based on both quantitative and qualitative data, comprising a survey of cross-border commuters in Årjäng, Eda and Torsby municipalities as well as interviews with cross-border commuting women and men. One central question includes how women's and men's commuting patterns reflect existing spatial gender and intersectionality contracts. An intersectionality perspective is here used to study the interrelations between gender and other social variables such as class, ethnicity and age. These are (re)produced and negotiated in a place specific and socio-cultural context, affecting relations in the family, the local community and the labour market.

The results of the study point to that the higher wages in Norway are of relevance for both women and men's motives to seek employment in Norway. In the interview study, women described the higher wages as important markers of independence, both in relation to their husbands and in relation to the local community. Single mothers describe the possibility to work part-time due to higher wages, while commuting a shorter distance, which in turn improves their work-life balance. Still, the salaries have spatial and occupational variations, partly due to that women tend to work closer to the border where the salaries are lower. Partly, cross-border commuting reflect gender coded occupations between women and men, where women's work within public services are lower paid compared to sectors such as construction work where men are overrepresented. Women spend less time on daily commuting compared to men, which can be related to their family obligations. This is evident also within weekly commuting. In the survey, men are highly overrepresented as weekly commuters, while none of the weekly commuting women have children in their household.

## **UNEMPLOYMENT RISK AND LABOUR MARKET ADJUSTMENT IN THE GREEK CRISIS: AN UNEMPLOYMENT DECOMPOSITION APPROACH**

**Vassilis Monastiriotis and Angelo Martelli, London School of Economics, UK**

As is well documented, unemployment in Greece has increased immensely during the last four years, reaching over 27% by early 2013. The rise in unemployment concerns all demographic and socio-economic groups and all geographical areas, albeit with significant variations among them. For example, in relative terms, graduate unemployment appears to have declined substantially - presumably due to the acceleration of bumping-down processes and the relaxation of downward wage rigidity, both of which can lead to a displacement of the low skilled from the labour market. Such trends and dynamics are significant not only for the individuals affected but also for the more systematic understanding of the dynamics governing the Greek labour market in general and under the current crisis in particular. To examine these, we apply an unemployment-risk decomposition approach (following Blackaby et al, 1999 - Manchester School vol.67) to decompose unemployment risk into price-endowment components (i.e., the part of unemployment that is due to personal characteristics and that which is due to the risk assigned to each of these characteristics). We do this both in a before/after comparison (before/after the crisis: to measure the extent to which rising unemployment can be linked to the risk-content of specific characteristics) and through a number of geographical comparisons (Athens vs the rest, north-south regions, and urban-rural regions: to identify variations across space, in the impact of the crisis and thus in the extent to which demand- or supply-side pressures dominate). The results allow a discussion not only of policy implications in relation to policy measures to tackle unemployment but also of the spatial and non-spatial labour market dynamics (migration, inactivity, informality, etc) that the crisis may have triggered in Greece.

### *Special Session 11: Regional and Local Development in Australasia*

## **GUIDELINES FOR FUTURE DEVELOPMENT: TESTING A REGIONAL PLAN USING FUTURE URBAN GROWTH MODELLING**

**Phil Morley, University of New England, AUSTRALIA**  
**Jamie Trammel, University of Alaska, USA**

The Far North Coast is the most biologically diverse region in NSW, with stunning beaches, World Heritage areas, character-filled villages and productive rural hinterlands. The region's natural wealth is also the basis of resource industries, expanding exports and tourism, which contribute significantly to the State economy. It is also experiencing strong population growth which is expected to grow more than 26% to 289, 000 by 2030. However many parts of the region are subject to natural hazards and processes that can pose risks to life and property in particular flooding, coastal erosion and severe storms. Each of these types of events are expected to increase in both severity and frequency under a changing climate.

A well balanced long-term vision is needed to provide for this growth and the State Governments Far North Coast Regional Strategy covers a range of social, ecological and economic factors in its provision of guidelines for the future development of this region. However this regional strategy is not enforceable and is written in a series of broad statements using a style targeting the general public. Despite the stylistic choices, questions arise as to how good a guide is it? Looking back from a future perspective should it have been followed or ignored?

Using satellite imagery and census data, a model of the past changes for this region was developed. Various land use change drivers and influences were identified and with further demographic analysis, the expected future changes for the region were described in a variety of scenarios. A cellular automata model was then used to represent the future growth of the region under each scenario until the year 2100. Natural hazards were adjusted for climate change and applied to ascertain their future impact. Analysis of the future land use change and impact from natural hazards then provided feedback and a method of comparison for the effectiveness of the Far North Regional Strategy.

**Tiffany Morrison, The University of Queensland, AUSTRALIA**

Over the last two decades of geography and environment scholarship, the traditional conceptualisation of resource governance (as undertaken by top-down governments) has given way to a more networked understanding of resource governance (involving a variety of public and private actors). The devolution of governance to lower orders of government (decentralised governance) was based on the understanding that government functions more responsively and effectively at local levels. The delegation of policy decisions to individual resource users (privatised governance) was based on the understanding that private actors supplement governmental capacity and authority. The coordination of actors at this level (networked governance) was based on the understanding that involving a wide range of actors enhances the certainty and legitimacy of governing. Yet, despite the magnitude of these reforms, and their significance for efficiency, accountability and efficacy, there has been very little academic consideration of how these new arrangements work beyond an acknowledgment of the new complexities of governing. In fact the dominant discourse within resource governance studies to date is that of governance failure, and the ways in which governance complexity results in governance failure. While governance complexity and failure is a real problem, the studies that prove this do little in the way of making sense of this complexity and plotting an alternative path. Furthermore, there is an important body of evidence in public administration that shows that successful decentralisation only occurs in the shadow of a strong central state, that successful privatisation is actually created and maintained by the state, and that networked governance is dependent upon the state occupying a structurally central position. This is termed metagovernance. Unconventional Gas (coal seam and shale) is a classic example of the need for metagovernance as it requires balancing across environmental, social and economic interests amid complicating jurisdictional issues involving municipal, state, national and international associations, governments and corporations. While we know that the impacts of hydraulic fracturing and horizontal drilling are regional, there is little understanding of how governments “metagovern” across policies, institutions and norms at multiple scales toward sustainable regional outcomes. Put simply, the industry’s development has outpaced the ability of governments to regulate. This paper examines alternative options in unconventional gas governance, and explores the transformations necessary to avert governance failure. It also seeks to extend broader debates about metagovernance as a means of avoiding governance failure and achieving regional resilience.

**Karol Mrozik, Poznan University of Life Sciences, POLAND**

**Piotr Idczak, Poznan University of Economics, POLAND**

Development of cities results in significant changes in land use and functional links between urban and rural areas. Alteration in relations between the use of urban and rural areas lead to changes in the quality of life of their inhabitants, the environment and ecosystem services, including water resources. These changes are most evident in peri-urban areas [Mrozik and Przybyła 2012, Nilsson et al. 2013].

The objective of the paper is to identify and analyze the main problems of water resource management in peri-urban areas. Analyses were conducted on planning and strategic documents based on Poznań Metropolitan Area (PMA).

According to delimitation performed by regional planning office Wielkopolskie Biuro Planowania Przestrzennego (WBPP) PMA comprises 45 communes together with Poznań. It includes 10 cities – centers of district and other small towns. The PMA area (6.2 thousand km<sup>2</sup>) accounts for approx. 21% area of the Wielkopolskie province, while the PMA population (1.3 million) – 39% province population.

The main water management problems within peri-urban areas of PMA are:

- loss of natural retention of catchments caused e.g. by compact building development of town areas, changes in land use in river valleys, e.g. from agricultural and forest to built-up areas;
- excessive disposal of surface water resources;
- hazard to water-dependent ecosystems;
- changes in natural hydromorphological conditions of surface waters by hydraulic engineering structures and regulation of rivers and streams;
- pollutants from agricultural sources;
- shortages of available resources of underground and surface waters;
- flood control;
- disadvantageous changes in the regime of surface waters;
- drought prevention
- insufficient sanitation of rural and recreation areas;
- discharge of untreated and insufficiently treated municipal and industrial sewage and cooling waste water;
- littering in river and stream channels;
- disturbed migration of salmon species;
- discharge of pollutants from fish ponds, littering of rivers and streams;
- threat to quality of underground waters not isolated by impermeable deposits;
- mining land use.

Integrated Urban Water Management (IUWM) nested within the broader framework of Integrated Water Resources Management is one of the potential solution for the analyzed problems in peri-urban areas, but it can be achieved only with political will, governance and a good coherent water policy.

*Territorial Governance and Regional Leadership*

## **BEST PRACTICES IN THE POST-CRISIS RECOVERY PROCESS OF CLUJ-NAPOCA, ROMANIA**

**Julia Nagy, Babes-Bolyai University, ROMANIA**

In the last decades the post-socialist cities of Central and Eastern Europe have gone through significant transformations. During the socialism, particularly the central parts of the cities have suffered significant physical, social and economic decline. However, the shift to democratic political regime and the transition from centrally planned to market based economy brought considerable opportunities. The democratic governance contributed to the increase of economic prosperity and social well-being of the urban residents. In Romania, after 1989, two levels of territorial planning were distinguished. The urbanism, applied to base administrative units and spatial planning, applied to larger divisions such as counties and regions. Both activities result into separate urban and spatial planning documents and regulations (Petrisor, 2010). As mentioned above, the new determining factors in the intensity of territorial reorganization and urban development were, on one hand, the political democratisation, increased globalization of the economy, privatization and European integration. On the other hand, there were severe unemployment issues which led to significant transformation within the settlements and change of urban spatial structures (Benedek, 2006). Therefore, it is important to understand the role of certain key factors and instruments in the complex process of development and the main driving forces in the changes set off by economical, social and political processes. Even though the global financial crisis 2007-2009 has had its effect and consequences, in Cluj-Napoca significant progress was made in overcoming this period and viable urban revitalization strategies characterised the process. Hence, the aim of the research is to investigate on the key elements of urban development in the last 20 years. The findings are based on interviews with decision makers, policymakers, academics and architects. The first part of the research gives indication on the significant issues and priorities as well as challenges experienced in urban development. The next section provides an insight into the local development policies, respectively strategies elaborating on their efficiency and contribution. The same section also examines the most important motives of surviving the certain critical periods with success. The last part of the research will look for the revitalization perspectives of the city such as projects/strategic directions and concrete measures for implementing these. The conclusions reflect on the importance of involving interdependent institutions and organizations, respectively the extent to which the fulfilment of

these actors' role is determined by the equilibrium of economic, social, factors and the way they reach the revitalization process.

#### *Borders and Cross Border Cooperation*

### **WHICH FACTORS DETERMINE CROSS-BORDER REAL ESTATE CAPITAL FLOWS? A GRAVITY MODELLING APPROACH**

**Anupam Nanda, University of Reading, UK**

**Patrick McAllister, University College London, UK**

For the period 2007-12, this paper investigates the scale and determinants of cross-border investment flows between national real estate markets. The literature on the application of gravity models to international investment and previous research on cross-border real estate investment is reviewed. This is followed by a discussion of the data and empirical framework used to assess the determinants of cross-border real estate investment. A range of specifications for the gravity model are used to empirically estimate the models. The results indicate that, consistent with previous studies for trade, foreign direct and portfolio investment, variables such as size and distance have expected effects on cross-border real estate investment flows. The results are consistent with increased risk aversion in the period 2008-12 with variables associated with informational frictions becoming more significant.

#### *Special Session 7: Building Resilient and Distinctive Regions: Cultural Heritage-Based Development Models*

### **WORLD HERITAGE SITES IN THE ALPS AS DRIVERS OF DEVELOPMENT**

**Janez Nared, ZRC SAZU, SLOVENIA**

United Nations Educational, Scientific and Cultural Organisation (UNESCO) has established the World Heritage list to promote and protect the finest elements of nature and the most precious achievements of humankind and thus acknowledging the importance of cultural and natural heritage. Addressing their Outstanding Universal Value, integrity and authenticity, cultural and natural heritage properties represent an important factor of regional development by rising regional awareness, by creating image of an area, by attracting visitors, and so on. In particular, regions being tightly connected to tourism, might benefit enormously by being inscribed on the List as the visitors may search for areas with diversified offer and plenty possibilities for quality spending of their leisure time. The importance of cultural heritage was furthermore (among others) exposed in Guiding Principles for Sustainable Spatial Development for the European Continent (CEMAT 2000), where the enhancement of cultural heritage is also perceived as a factor for development by underlining the appeal of localities and regions for investors, tourists and the general public through the integrated management of cultural heritage, also with the perspective of a spatial relationship between modern architecture, urban design and traditional heritage.

In the Alpine Space programme area – although the Alps are often perceived as one of the biggest natural areas in Europe, having picturesque landscape and remarkable natural features – only five World Heritage Sites are natural, the remaining 39 are listed as cultural heritage sites. The Alps are namely also a contact point of variety of cultures and thus present an area with enormous cultural potential.

The paper presents potentials of Alpine World Heritage Sites and tries to evaluate the role of cultural heritage in regional development by assessing touristic performance of selected World Heritage Sites before and after the inscription. Furthermore, some good practices are presented, emphasizing the role of cultural heritage management as a major development strategy of an area.

**BETWEEN CONFLICTS AND PARTNERSHIPS: MANAGING THE UNESCO WORLD HERITAGE LABEL IN PERIPHERAL AND METROPOLITAN URBAN REGIONS IN EUROPE**

**Carola Silvia Neugebauer, Leibniz Institute for Regional Geography, GERMANY**

The UNESCO world heritage label (WHL) is a contentious topic in local to global public, and it gains in importance for the urban and regional development in Europe for some reasons. So on the one hand, the nominations of European sites as UNESCO world heritage are increasing steadily, and on the other hand the polarization of space is still continuing. Thus, the disparities between peripheral and metropolitan regions and their towns are growing. The need to steer sustainably the economic, demographic and cultural concentration processes in metropolises confronts the challenge in peripheral regions to stabilize and initiate developments in view of shrinking processes and manifold problems. In consequence of these trends the UNESCO world heritage label constitutes a relevant urban and regional topic that refers to conflicting connotations like 'development barrier' and 'source of conflict' on the one hand, and 'chance for development' on the other.

To date, however, the potential of the WHL for sustainable urban and regional development is barely investigated. Neither the local socio-cultural, economic and institutional effects of the world heritage status, nor the mechanisms and conditions of its local effectiveness have been investigated in a critical and systematic way. Moreover, there is little research on the local management approaches, how to enhance (save and use) the UNESCO label for sustainable urban development which should be based on the principles of integration, participation and justice (e.g. Hübler 2000).

Against this background, a recent research project evaluated the UNESCO world heritage label as potential for urban sustainable development. Mindful of the intertwined local to global contextual dimensions and actor networks it questioned the hypotheses that the spatial (peripheral and metropolitan) context of an urban region and the local actors' concepts and activities towards the WHL do influence the status' impacts on urban development. A special emphasis was given to the analysis of local partnerships, planning instruments and communication processes, tackling the UNESCO label as potential for urban development.

Based on a realist evaluation approach that links economic and social theory with comparative case study research in the three European world heritage cities of St. Petersburg (Russia), Stralsund and Wismar (Germany), the project finally proves the WHL as a topic of cross-sectoral importance for urban regions, affecting collaterally political and administrative as well as economic and socio-cultural local processes and structures in a positive or negative way. The WHL constitutes a potential for sustainable urban development indeed, but in dependence on the spatial context of an urban region as well as on the local actors' approaches, how to enhance the WHL. Mindful of these insights, the project argues for spatially differentiated and actor sensitive local management approaches in order to preserve the urban world heritage and to use the WHL for socio-cultural and economic sustainable development.

In doing so, the proposed paper/presentation sheds light on specific cultural heritage-based development models, namely those focused on the enhancement of urban world heritage.

**SEQUENTIAL GOVERNANCE – ON THE TRANSFORMATIVE ROLES OF LEADERSHIP IN REGIONAL DEVELOPMENT PROCESSES**

**Roger Normann, Agderforskning, NORWAY**

**Hans Chr Garmann Johnsen and Jon P. Knudsen, University of Agder, NORWAY**

In this paper, we suggest how analysing the leadership of regional governance as an evolving process with distinct sequences, can shed more light onto the dynamics of regional governance.



Research on territorial governance has often had a reductionist character, where network governance has been reduced to an organisational theory of the 'network'. This has given us competing ontological and normative views both on territorial governance and on the role of regional leadership in developing governance systems. These discrepancies are related to differences between research traditions and theoretical modelling based on differences between empirical contexts, but also, which is the topic for this paper, that regional governance and leadership will have qualitatively different functions and expressions depending on the development phase of particular networks. We conceptualise this as sequential governance.

Based on this, and on illustrative cases from the Agder region in Norway, we discuss the role of regional leadership in sequential governance. Our main finding is that modes of leadership should be adapted to the mode of governance, and we identify three critical phase changes in the life span of a typical governance network. These changes pertain to the mobilisation, integration and implementation phases of a governance process.

In each of these phases, transformation of leadership roles becomes significant for the success of the collaborative structure. Special importance should be placed on the ability to sustain legitimacy through the various phases, as legitimacy could be seen as the crucial capital for governance networks. Failure of leadership to duly transform the governance processes according to shifting phase requirements could result in dysfunctional processes; misuse of resources, high levels of conflict, loss of creativity, stagnation, etc.

*Special Session 3: Critical Studies of Urban and Regional Development*

## **PRODUCING GLOBALIZATION: LEGITIMIZING REGIONAL GOVERNANCE REGIMES IN THE 'GLOBAL AGE'**

**Andreas Öjehag-Pettersson, Karlstad University, SWEDEN**

This paper explores the discursive construction of globalization as a particular form of rationale in sub-national regional development. As such it departs from an understanding of space as relational and holds that globalization can be theorized as a reconfiguration of the spatial aspects of our social relations (Massey, 1994, 2005). Therefore, it is argued here, to investigate globalization is to investigate aspects of the multiplicity of social relations that (re)produces the phenomenon.

Here I depart from an instance of space that has not often been used as a basis for understanding articulations of globalization, namely the sub-national region. Using a governmentality framework (Dean, 2010) I trace how globalization is discursively (re)produced within regional governance in Sweden, focusing on the practices, technologies and rationalities that constitutes this regime.

More specifically, in terms of empiric material, I analyze a broad corpus of Regional Governance Documents (RGD) as well as the wide production of reports that was the outcome of Sweden's so called Globalization Council. Methodologically the analysis is situated within the aforementioned framework of governmentality studies (Dean, 2010; Miller & Rose, 2008). This framework is then used as a point of departure for a form of discourse analysis that combines concepts from both Critical Discourse Analysis (CDA) and Post-structuralist Discourse Theory (PDT).

This alignment of theory, methodology and empiric material enables me to produce three main areas of findings. First, by illustrating how globalization is framed in the regional governance documents as intertwined with notions of competition, growth and competitiveness I am able to demonstrate how this discursively legitimizes and fosters a certain range of practices. A particularly salient finding is how the documents contain articulations of a perspective of globalization that renders the phenomenon as more or less a natural force that is unavoidable and unchangeable. Second, in terms of relational space the discursive legitimization also contributes to the production of globalization in other forms of space, hence reinforcing general neo-liberal traits of the phenomenon that extends to regions, nations and continents around the world. Third, the paper also shows how the methodological framework that is used proved particularly fruitful in this case. Therefore, some time is spent reflecting on the possible benefits of combining CDA, PDT and governmentality and I argue

that such multi-perspectival approaches are needed to illustrate the complex relay system of practices that produces globalization and regional governance.

*Territorial Governance and Regional Leadership*

## **THE PARADOX OF PLACE-BASED DEVELOPMENT AND CENTRALISED GOVERNANCE: THE CASE OF PÉCS IN HUNGARY**

**Ilona Pálné Kovács and Zoltán Grünhut, Centre for Economic and Regional Studies, Hungarian Academy of Science, HUNGARY**

The last years are not the golden age of decentralisation referring first of all to the financial crisis although the mainstream of neoliberal 'good' governance officially keeps its position at international scenes like EU, OECD, EC, WB etc. The shaping and floating content of territorial governance in the EU documents and the new regulation of EU Cohesion Policy suppose also that local, regional actors will be especially active in development policy actions.

There are, however, many facts, signs which warn us to be cautious at least in the countries which were rather centralised in the former time also. The so-called TANGO project financed by the ESPON attempted to elaborate the preconditions and indicators of good territorial governance based on analysis of the literature, Delphi survey and 12 case studies from 6 European countries.

(Reports and other kind of scientific papers about the research are available at following link:

[http://www.espon.eu/main/Menu\\_Projects/Menu\\_AppliedResearch/tango.html](http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/tango.html))

The paper introduces the Hungarian case study dealing with European Capital of Culture (ECC) project implemented in Pécs in 2010. The ECC challenge can be formulated as a real place-based development action focusing on the cultural supply of the city. ECC is not just a one-year cultural jamboree rather a complex urban development program based on the local resources like cultural assets, local knowledge, social capital etc.

The governance challenge was how to involve the different stakeholders and government levels, how to harmonize the short-term and long-term development targets and interests, how to integrate the urban economic development (investments) and the soft cultural, environmental and social aspects, how to expand the local gains for the whole region? It was an important feature as well that the relatively small city (150.000 inhabitants) had to manage big investments in very short time.

The paper will analyse the different stages of this development cycle introducing the main actors and actions during the project and even the follow-up. The case's lessons are manifold. ECC projects are, always and everywhere, big challenges from the governance point of view. This is the case especially in a centralised country where the development policy controlled from the top, where the local governments have very narrow space of movement, where local political elite and even the local civil society and creative class have no tradition in cooperation. The case provided lessons for the management of Structural Funds as well, since the logic and financial mechanisms of SF regime at least in Hungary proved to be very rigid to implement a very complex, large scale development project.

The failure of this originally very bottom up project together with other experiences of regional policy in Hungary project the threats of failure in the next programming period of cohesion policy also. The new buzzwords like ITI, CLLD are plausible only in a governance context which allows for local actors to act independently, and when local actors possess resources, instruments and skills to manage complex, place-based development programmes. Both preconditions are still missing in Hungary, or even the governance model has started to completely opposite direction.

The paper tries to contrast the centralised governance traditions and new development policy challenges in order to remind us that Europe is no more homogenous as it was so formerly at all. The paradox is not

Hungarian unique: the emerging neo-Weberian governance model seems to be popular in other countries as well questioning the Western neoliberal good governance paradigm.

*Special Session 6: Mega Event Planning: The Impact of the Olympics and World's Fairs on their Host Cities*

**DESTRUCTION OR CONSTRUCTION? INVESTIGATING THE SOCIAL CHANGE POWER OF COUNTER-BRANDING IN THE CONTEXT OF MEGA-EVENTS.**

**Cecilia Pasquinelli, Dept. of Social and Economic Geography, Uppsala University, SWEDEN**

**Antonella Maiello, PROURB/FAU, Federal University of Rio de Janeiro, BRAZIL**

**Orlando Alves dos Santos, IPPUR, Federal University of Rio de Janeiro, BRAZIL**

The counter-branding perspective on the analysis of urban transformation gives an opportunity to highlight the emergence of those public and dispersed spaces where the hegemonic image of the city, which is promoted by an urban neo-liberal coalition, is challenged. While much emphasis is usually on the branding of mega-events, this paper adopts an alternative perspective according to which counter-branding is defined as the analysis of a process of communication and socialization of values, symbols and messages that tend to counterbalance the official city branding campaign, while contributing to the formation of the city images that are "in use" and to the mobilization of power. Mega-events are considered as crucial moments of urban transformation due to investments, planning activities and economic opportunities characterising the host cities. On the other hand, mega-events are moments of exceptional visibility of the host cities and of their multifaceted urban dynamics, at national and international levels. Moreover, the Internet and social media play a major role in focusing global attention to the cities hosting mega-events and enable information, opinions and knowledge production and sharing among local communities, throughout the whole process of mega-event construction. In other words, the Internet seems to facilitate an active participation in the creation of a network of meanings, values and narratives that shape the "plot" of the event. The strength of the multiple images flourishing in an open space of sociality and confrontation brings about social change according to the ability of a community to represent and communicate a shared aspiration for collective wellbeing, e.g. social cohesion and stronger social welfare. In our point of view, the production and socialization of a multifaceted city image may foster a cultural change when the image building is accompanied by the emergence of new democratic spaces of information, communication, collective learning and, accordingly, community empowerment. This article investigates and maps these spaces through a netnographic method, which emphasizes the role of the Internet as the spatial platform for enacting a process of counter-branding. The paper analyses the case of Brazilian mega-events and focuses on the Rio de Janeiro 2016 Olympic Games. While represented as climax of a process of neo-liberalization of the country and its metropolitan areas, the mega-event has been triggering a process of construction of multiple city images, which, in our point of view, represent an embryonic trajectory of social change. The paper builds upon a content analysis of websites hosting the "hegemonic" and "counter" perspectives on the Rio Olympics in an attempt to frame the spatial, economic and social dimensions characterizing the broader debate on Brazilian mega-events. This paper makes an attempt to answer the following research questions: (a) What is the legacy of counter-branding emerging from popular protests and reactions to the mega-events in Brazil? (b) Is this "revolution" producing new spaces of empowerment and social innovation? (c) Is there any cross-fertilization among the different narratives on mega-events and the host cities, which empowers innovative images of the urban space?

## **ECONOMIC DEVELOPMENT ON THE ANGLO-SCOTTISH BORDER: PROSPECTS FOR CROSS-BORDER COLLABORATION**

**Frank Peck and Gail Mulvey, CRED, University of Cumbria, UK**  
**Keith Jackson, University of Cumbria, UK**

There is considerable recent research on border issues in economic development particularly in a European context. Research has focused on traded relationships and the factors that inhibit or enable flows of goods and services across national and regional boundaries. More recently, attention has been given to the ways in which national and regional boundaries vary in their porosity with regard to delivery of public policy in a variety of arenas including economic development. An increasing emphasis has been placed on less tangible interactions including processes of innovation, regional and local public policymaking and the significance of knowledge-flows and learning across boundaries. This paper contributes to an understanding of the symmetries and asymmetries that characterise border regions and the factors that might enable or inhibit cross-boundary collaboration in policy making and delivery of economic development. Factors that have been shown to enable such collaboration include cross-border institutional linkages in research, education and technology transfer as well as complementarities in industrial structures and knowledge-bases which reduce the cognitive distance between policy actors either side of borders. On the other hand, it has been shown that barriers are often created by low institutional capacity on borders, low levels of complementarity between territories, asymmetric institutional structures and the dominance of centralist political systems which reduce local autonomy in border regions.

These issues are explored in the context of the Anglo-Scottish Border which is of particular interest due to significant changes that have already taken place, and are likely to continue in future regardless of the outcome of the impending vote on Scottish Independence. The Anglo-Scottish border will witness intensified levels of differentiation arising from increased levels of autonomy in policymaking in Scotland. Simultaneously, there has been a radical reorganisation of structures for economic development at the sub-national scale within the North of England. These changes, involving the demise of regional development agencies (RDAs) and creation of local enterprise partnerships (LEPs) mainly at a sub-regional scale, have created new asymmetries between former regions in England. In the context of English territories adjoining Scotland, there are now significant differences in scale and capacity contrasting Cumbria LEP in the north-west with the North-East LEP which covers a much larger population and a more diverse and urbanised territory. These changing structures raise questions for those engaged in economic development regarding cross border competition and potential collaboration. The paper a) compares and contrasts the economies of Cumbria and Northumberland with the Scottish Borders and Dumfries & Galloway in Southern Scotland and b) analyses the contents of current economic development strategies that affect these territories. The conditions that are likely to inhibit or enable cross-border collaboration are explored and an attempt is made to identify competing views of "border issues" in economic policymaking in this context.

## **FLY-IN, FLY-OUT, DRIVE-IN, DRIVE-OUT: THE AUSTRALIAN MINING BOOM VERSUS THE LOCAL ECONOMY**

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A traditional question in local economic development is whether it is better to take work to the workers or workers to the work. The widespread use of fly-in, fly-out (FIFO) or drive-in, drive out (DIDO) to support Australia's mining industry raises a variant to this question: is it possible to promote regional development without a permanent, resident workforce? FIFO and DIDO have become the predominant ways of providing a permanent operational workforce to the mining industry. It explains why cities such as Perth, Brisbane and Mackay have large populations of mining workers while mining operations are located in remoter parts of the country. The growth of FIFO and DIDO is explained by the advantages it brings to mining companies. It is

generally viewed as antithetical to local economic development particularly in the way that it erodes the viability of communities that loose population as workers opt for FIFO over living in a settled resource town and in the way that FIFO and DIDO hubs generate negative externalities for any community that they are established near. The economic impacts of the Mt. Todd gold mine and its close proximity to Katherine will be investigated as an example of a positive DIDO local economic development initiative. This discussion will examine both the cons and pros of alternatives ways of providing labor for the mining industry. This paper considers whether any pathways exist for using FIFO and DIDO as starting point for sustainable local economic development.

*Innovation and Knowledge Economies*

## **COLLABORATION AND SCIENTIFIC PERFORMANCE OF REGIONS IN EUROPE**

**Adam Ploszaj and Agnieszka Olechnicka, University of Warsaw/EUROREG, POLAND**

The role of collaboration networks is more and more stressed in the context of innovation and its spatial aspects. In this particular case, most attention is given to cities and metropolises as major networks of flows not only of people, capital or goods but also of information and knowledge. The paper discusses selected spatial aspects of collaborative networks in European science. The analysis is based on overall publication output of 29 European countries in peer reviewed journals, covered in Web of Science database, during the period 2000-2010. The analysis was conducted on a regional level (NUTS2). This level seems to be the most appropriate in this case, since it adequately reflects the situation in scientific centers of Europe, i.e. in cities or agglomerations where scientific activity is concentrated. The main research question of the paper is: How scientific performance of a region is influenced by cooperation with other regions?

*Developing Rural and Peripheral Regions*

## **DEMOGRAPHIC CHANGE: CHALLENGES AND ACTIONS IN RURAL DEVELOPMENT POLICY**

**Kim Pollerman, Petra Raue and Gitta Schnaut, Thünen Institut for Rural Studies, GERMANY**

The on-going demographic change is a key issue for planners and policy makers. The challenges differ in various countries and regions. Some rural areas grow while others have a severe loss of population. Thus actions should be well-adapted to specific regional situations.

For peripheral rural areas in Germany an aging population and - especially in Eastern Germany - a shrinking number of inhabitants are typical developments. For many regions a continuing reduction of the population is expected in the future. For single regions this can mean a further loss of up to 20% from 2010 to 2030 and in deprived parts of such regions the loss will be even higher. Thereby the composition of out-migration must be taken into account because especially young and qualified persons are leaving. This reinforces economic problems, can devitalise voluntary activity and threatens the provision of local services of general interest, which are crucial for the quality of life, but are difficult and expensive to maintain in areas with a low population density.

Long-term strategies are required for these challenges, whereby for both major results from demographic changes (aging, population decline) two dimensions of action can in general be distinguished: the first is to try to hold up or at least to diminish the impact, the second is to make adaptations to the impacts of the demographic change.

A suitable rural development policy should enable regions to act with flexible measures on such tasks. One option to support such actions is the LEADER-approach as one axis of the European Agricultural Fund for Rural Development (EAFRD). LEADER is a bottom-up oriented, participatory approach as a kind of a "Community Led Local Development" (CLLD). Thereby local actors come together in a Local Action Group (LAG) as a public-private partnership and collaborate on the basis of an integrated "Local Development Strategy". The LAG

decides about the financial support for projects from an own budget. Main issues of LAGs are tourism, diversification of the rural economy, social infrastructures and other improvements for the quality of life in rural areas. Many of these matters are directly connected to challenges generated by demographic changes.

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 local stakeholders and a greater scope for innovation, which would be especially beneficial for complex problem situations in declining areas.

The key question for this presentation is, in which way actions from LEADER address the challenges of demographic changes. Thereby also examples of suitable projects in connection with tourism, village development and basic services are presented. The findings of the evaluation of Rural Development Programs (RDPs) in six federal states in Germany serve as the empirical basis. Thereby we used a mixture of qualitative and quantitative methods. Main instruments have been an analysis of funding documents/ funding data and personal interviews, as well as four surveys using written questionnaires: two for members of the LAG's (in the years 2009 and 2013), one for LAG managers (2010) and another one for project beneficiaries (2012).

It turns out that a high percentage of LEADER activities have a connection to matters of demographic change. Most of them are projects to somehow improve the quality of life, for example with social infrastructure and customisations for an aging population like barrier-free access or special offerings for seniors. Fewer projects deal with adaption due to depopulation. Projects which evolve new or creative solutions exist, but they are rare.

For the development of creative solutions it would be advantageous to avoid narrow administrative limitations. The possibility of realising experimental projects via LEADER depends notably on options to fund projects outside the standard menu of measures. But all empirical examinations showed problems with this, although improvements have already been made within this funding period by some federal states in Germany, and there are already signs that conditions for innovation will be better in the next funding period. An essential improvement for 2014+ will be that the criteria for the project approvals will change from a schematic measure-orientation to a target-orientation: whether an idea is fundable will depend mainly on whether it fits to the targets of the local development strategies, which are designed by the LEADER-regions themselves. Furthermore consideration of the wishes of the LAG-members, which themes they want to have play a major role in 2014+, and their answers in a questionnaire show that demographic changes was one of the most named topics. So altogether there are good preconditions for future actions.

In an outlook, key requirements for the design of Local Development Strategies and suitable criteria for a selection process for projects will be presented. Such requirements are crucial for a prospective rural development policy to support the achievement of an effective added value through the LEADER-approach.

*Geographies of Global Finance*

## **FINANCIAL CRISIS, FINANCIAL POLICY IN THE REGIONS AND THE POLITICS OF TERRITORY IN SPAIN**

**Paula Portas, Cardiff University, UK**

The collapse of the financial markets in 2008 has been generally attributed to a failure of regulation and of supervision of an increasingly autonomous financial system. Whilst there was prompt agreement to initiate thorough regulatory reform at a transnational level, most of the power remained at the national level. The regulatory relevance of the domestic sphere increased post-crisis because the international reform agenda depended on major legislative action at home and because of the intense pressures faced by elected domestic policy-makers and legislators after the massive bailouts of financial institutions. The increased relevance of the domestic sphere in finance regulation should lead us to pay attention to regional policy arenas, agents and institutionalizing forces.

In Spain, a major restructuring and recapitalization of the finance sector leading to the demise of the savings banks since 2009 became a key policy arena where discourses on territorial governance were played out. Spain initiated a major program of finance sector reform in 2009 –supported by the IMF and the European Stability

Mechanism since 2012. In order to deal with the banking collapse –caused by the bust of a classic housing bubble financed by foreign capital— the Zapatero government implemented an array of measures to recapitalize the banks and to reform the frameworks for financial sector regulation and supervision. A new institution, the Fund for Orderly Bank Restructuring (FROB) was created in June 2009 charged with implementing a banking bailout and reconstruction program –via a policy of mergers and later bankarization of the countries’ savings banks. As a result, in three years since 2009 all but two (out of 45) of the regional savings banks, which made up roughly half of the Spanish banking system, had disappeared. However, it was regions, not central government, which had regulatory and supervisory competences (shared with the Bank of Spain) and were involved in the corporate governance of these financial institutions. These were banks deeply rooted in localities, without shareholders, not for profit and fulfilling social functions. As a result of the complex institutional division of competences and the plurality of interests, a frantic period ensued where regional agents were actively involved in the regulation efforts, outpacing and/or reacting to the state’s battery of regulatory and supervisory reforms. At heart were issues of territorial community, social ideology and power: savings banks were regional development tools, finance policy instruments and sources of political power for regional governments. Major territorial, political and social conflicts affected the reform.

This paper proposes to examine the territorial overdetermination of the financial crisis and finance policy in a region (Galicia) in the context of a larger comparative project of Spanish regions (funded by an RSA Early Career Grant, 2013). The project examines regional governance in relation to finance policy and politics in Spain, interrogating and comparing the policy processes unleashed by the financial restructuring of the savings banks in three exemplary regions (Catalonia, Galicia and Extremadura). It aims to trace the discourses on finance, savings banks and territory circulating on policy related sites, in order to provide an understanding of the diverse policy responses from the regions; to explore the financial construction of the region and to assess the impact of regions in domestic/global financial reform. More specifically, this paper examines the agents, events and processes that led to a ‘regional’ merger of the Galician savings banks, to their failed bankarization and to EU rescue looking into their embeddedness in spatial ideas and discourses of community and in different de/territorializing forces and interests. The paper examines questions on the forms of agency involved in the (re)production of regions as regulatory spaces and on the interconnectedness of territorial spheres of finance policy action.

*Regional Development Policy*

## **RELATED VARIETY IN THE DEVELOPMENT OF LESS DEVELOPED REGIONS**

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How do regions develop? How do regions learn to develop? How do regions learn to deal with the dynamics of constantly renewed, evolving, applied and embodied knowledge – especially analytic knowledge and thus become committed practitioners of the knowledge economy? Evolutionary economic geography tells us that regions can construct competitive advantage and thus develop (Asheim et al., 2011; Cooke & Leydesdorff, 2006). Nevertheless, there is an ambiguity in the understanding of how regional advantage is constructed /can be constructed in different contexts and how it impacts development. In general, agglomeration economies (Frenken et al., 2007), can be grouped into urbanisation and into localisation economies. Urbanisation economies are profiled by concentrated demand, density of economic activity and unrelated variety forming the basis for Jacobs’ externalities. Localisation economies are economies of scale (Marshall’s) resulting from co-location of businesses in the same or related sectors due to specialised labour market, suppliers’ and knowledge spillovers’ facilitating potential (Henderson, 2003). However, there is no unequivocal opinion, which one of these two types of economies, is a better development driver for less developed regions. It is also debated whether, related or unrelated variety, is more appropriate towards constructing regional advantage (Asheim et al., 2011; Boschma et al., 2011; Frenken et al., 2007). Moreover, although a number of studies tend to juxtapose two approaches (Boschma et al., 2012, 2013, 2014; Boschma & Iammarino, 2009; Desrochers & Leppala, 2011; Henderson, 2003), there is evidence of relatedness between them: e.g. urbanisation economies benefit some localisation industries, and localisation economies add to the diversification potential of urbanisation economies (Feser, 2002; Jofre-Monseny et al., 2009, 2013). Some findings question the positive

impact of related variety on employment growth (Brachert, 2011) and of unrelated variety on economic growth (Frenken et al., 2007). Research on the emergence of new industries in a region, shows relatedness to previously existing industries and indicates strong path dependency and relatedness in regional economies (Boschma et al., 2012, 2013; Neffke et al., 2011). Thus, upscale path renewal, seems to be in general supported by the continuities (and their renewal potential) that related variety contexts imply and that we are seeking 'specialisation (-s) in related variety' (Boschma et al., 2009, 2011, 2012). However, research indicates that the upscale driver impact of related variety is conditional on baseline functional and knowledge aspects in the regions (Breschi et al., 2003; Frenken et al., 2007; Garcia-Vega, 2006; Hartog et al., 2012) and may vary according to different factors like type, maturity, size, knowledge-intensity of the sectors etc.

Thus, to better understand the process of constructing regional advantage, a number of questions are still to be researched; e.g. we need to understand (1) lagging regions' cross-over to the knowledge economy: is it continuity (related variety) or discontinuity-based, a kind of 'fresh start' (development discontinuities & related variety); (2) developed regions' loss of competitiveness, whereby related variety continuities have not led to upscale specialisation but, rather, to the opposite, i.e. in loss of productivity and knowledge economy absorptiveness. We observe such phenomena in European regions that today face grave development crises as well as in development-challenged 'pockets' in very advanced economies (development reversals & related variety); (3) 'hesitant regions': why & how the dynamics of existing specialisations in related variety do not appear to function effectively towards growth and upscale renewal (slow growth & related variety).

In this article we deal with development discontinuities and related variety. The research is structured as follows:

(1) We identify lagging regions, which have crossed over to the knowledge economy, and look into the role of related variety in the process. We consider productivity growth, the thereof associated increasing returns and how they contribute to the overall regional income as proxies indicating the probably gradual but radical transformation of a lagging economy into a knowledge-based economy.

(2) We analyse related and unrelated variety of these regions, using the proximity indicator developed by Hidalgo, Hausmann et al. (2007, 2009, 2010), adjusted to regional level (Boschma et al., 2012, 2013). The proximity indicator is currently applied more at country level and adjusting it to regional level makes it an operational tool for regional policy practitioners and researchers. We use export, increasing returns, employment growth, and salaries variables.

(3) We match regions' related variety and its evolution with the industries that led/lead the regional economy renewal. First we seek to understand whether related variety is part of the path renewal process and if so how. Secondly we discuss whether the path renewal has given rise to also radically renewed related variety environments, and if so, how dense and knowledge intensive these environments are.

The findings are crucial for implementing RIS3 strategies and essential to politicians' and scientists' decisions concerning specialisation choices.

#### *Regional Development Policy*

### **ENGLISH REGIONAL POLICY POST 2015 – THE CASE FOR A MULTI-SCALAR APPROACH**

**Martin Quinn, Centre for Labour Market Studies, University of Leicester, UK**

Sub-National policy in the UK has tended to alternate between the regional and local tiers with the current Coalition Government, formed in 2010, abolishing the Regional Development Agencies (RDAs) set up by their predecessors and reverting to the local tier with the establishment of Local Economic Partnerships (LEPs). Harrison (2007) argued that policy makers in the UK ignored the lessons emerging from previous policy experiments when he examined Labour shift in its own emphasis from the larger RDA regions to City Regions in 2007 and the evidence from the LEPs suggest that the this pattern has repeated itself (see for example Pugalís and Bentley 2013). This paper looks ahead to the 2015 General Election in the UK and proposes a possible sub-national policy that draws upon the lessons from both the RDAs and the LEPs. In doing so the



paper questions the either/or nature of UK policy debate (Smith Institute 2012) and instead argues for a flexible multi-scalar approach to sub-national development in the UK.

The paper will present findings from two stages of research into the regional policies implemented in the East Midlands of England. Firstly by the Labour Governments of 1997-2010 in the UK and then by the Coalition Government post 2010. The data from the East Midlands suggest that rather than picking one sub-national scale at which to implement policy there is a need for a more flexible multi-scalar approach that fuses regionalism and localism. In the East Midlands attempts to influence the economy at the level of the region through governance structures struggled to gain momentum or significant buy in from the private sector. At the City Region level however governance networks were much more successful in the case of Leicester where the Local Councils led a joint public/private sector led regeneration of the City Centre. However success at the more localised tier was uneven at best in the East Midlands. Smaller, deprived areas, such as Corby could not compete with the three Cities of the East Midlands for resources and were largely ignored by the City Region arrangements but did receive support from the wider regional tier. The paper will argue that the UK needs a regional tier of governance but that it needs to be more responsive to local governance needs. It argues that the regional tier needs to learn from Stimpson & Stough (2005) and be more flexible with power and resources than the RDA structure previously in place. This would allow local solutions like Leicestershire to flourish whilst providing smaller areas, such as Corby, with protection and access to vital funds.

#### *Labour Markets and Migration*

### **A ONE WAY TICKET TO THE CITY, PLEASE! ON YOUNG WOMEN LEAVING THE SWEDISH PERIPHERAL REGION VÄSTERNORRLAND**

**Daniel Rauhut, University West, SWEDEN**

**Helene Littke, Royal Institute of Technology, SWEDEN**

Gender aspects have been largely neglected in the analysis of rural migration patterns. The out-migration of young adults has received some scientific attention, but only a few studies specifically address gender differences in migration patterns. The social and economic consequences of imbalanced sex ratios have received even less attention. Despite the long tradition of rural depopulation in almost all member states of the EU, this topic also remains under-researched.

The relatively old, and also ageing, population in Västernorrland County constitutes a long-term threat to the population development in the region as it may act as a push-factor for young people to out-migrate to “younger” regions. This appears a self-generating process of negative development spirals. Västernorrland reached a peak in population in the middle of 1950s, with a little more than 280000 inhabitants. Since that the number has decreased with more than 10 percent. Particularly during the last 20 years, population decrease has been very rapid and placed Västernorrland as one of the most rapidly depopulating counties in Sweden

Most rural and peripheral regions in Sweden suffer from an outmigration of young adults and particularly young women are over-represented in this outmigration. This outmigration of young adults in general and young women in particular is headed for the major towns in southern Sweden and the capital city Stockholm. The sex-biased out-migration has been ongoing for more than 40 years for some rural regions in Sweden.

This paper aims at explaining the outmigration and return migration of women 18-34 to and from the Swedish county Västernorrland in Northern Sweden. A qualitative method will be used in the analysis in this study. The empirical material consists of a literature review, a survey to 5,512 teenagers aged 14-17, expert interviews and interviews with young women leaving Västernorrland, returning to Västernorrland or moving in without any prior connection to the region.

The theoretical framework is based upon the dual labour market theory in combination with gender aspects. The dual labour markets theory is based on an observation that migration flows are to a large extent determined by labour demand characteristics at the destination. This notion puts forward that migrant labour is necessary for the economies of the developed countries. An important explanation is that wages are not only the price of labour, but also a proxy measure of the employee's position in the occupational and social

hierarchy. If there are labour shortages at the bottom of the hierarchy, the entrepreneurs would prefer to hire migrant workers without aspirations to a higher social status, than to raise wages in order to attract local labour force. The gender aspects in motion are important to understand the willingness of young women to migrate. Especially rural women, in areas where economic and social structures offer no future other than being a homemaker and mother, are willing to take any job just to leave the area of origin. Patriarchal structures constitute a major push-factor for these women.

The driving forces of out-migration of young women appear connected to studies and moving to more female-friendly labour markets. In the household creating ages the findings suggest a return-migration flow with net in-migration as one result: Västernorrland is considered a safe and good place for the children to grow up in. Being close to the grandparents is highly valued, while a consumption-based metropolitan life-style appears less important for the interviewed women. For those who do not return the lack of employment possibilities in their profession appears to be the main reason for not returning.

Furthermore, the findings suggest that the young adults, and especially young women, are rational in their decision to move from Västernorrland due to better opportunities to get a job and education. The bad infrastructure and general service are also mentioned as factors repelling women to return. With regard to out-migration, the findings also suggest that young people with an immigrant background experience push-factors natives do not experience: the survey as well as the expert interviews and interviews with young women indicate racism or discrimination based upon ethnicity.

This paper is based upon parts of the case study results from Västernorrland County in the ESPON-project "Selective Migration and Unbalanced Sex Ratio in Rural Regions" (SEMIGRA), which ended in May 2012. The paper does not necessarily reflect the opinion of the members of the ESPON Monitoring Committee.

#### *Special Session 2: Small Trade in Post-Soviet Cities: Between Regulation and Informality*

### **SILENCE AND INVISIBILITY: TACTICS OF THE WEAK OR THE STRATEGY OF THE POWERFUL? CASE OF PETTY TRADERS IN TBILISI**

**Lela Rekhviashvili, Leibniz Institute for Regional Geography, GERMANY**

Since the Rose Revolution in 2003 Georgia's reforms have been acclaimed by major development agencies for its ability to radically improve state enforcement capacity and virtually eliminate petty corruption. These developments were seen as an outstanding progress in the light of previous weakness and corruptness of Georgian state as well as failure of most of the post-Soviet states to strengthen the state/formal institutions. From new-institutionalist perspective, these changes should denote improved entrepreneurial opportunities for the persons previously relying on informal economy. The ethnographic research of the case of petty traders in Tbilisi suggests that increased state capacity coupled with liberalization, privatization and deregulation of the economy did not result in the type of outcomes new institutionalists would expect. After ten years of changes, the small traders (legal or illegal) and vendors are in significantly disadvantaged situation relative to pre-revolutionary period.

One of the main challenges for illegal vendors was transformation of the ways public space is controlled and privatized. While prior to the revolution public space was accessible for private use, but not for private ownership, since the revolution, the government started on one hand privatizing public space as much as possible, on the other hand, ensuring that what was left of the public space in the city was not used for private purposes by petty traders. The process of disentangling access to and ownership of the space is part of marketization process, which disposes land – a fictitious commodity – on self-regulating market (Polanyi, 1957 [1944]). Hence, access to the land is defined by market price of use and ownership of the land. Once the access to the vending space became dependent on the market prices, many of the petty traders became unable to secure formal/legal access to the trade. In turn, many of the traders started adjusting their activities to escape state control as well as paying market price for the space to vend/trade.

Following de Certeau's distinction between tactics of the weak and strategies of powerful, I shall describe the tactics of those petty traders that could not afford formalizing their activity, and thus became illegal street vendors. In the first stage the vendors started ad hoc mobilization against the governmental control. As spontaneous mobilization was dismissed by the state, vendors institutionalized the struggle and created Street Vendors league to organize protest actions and initiate legislative changes. Meanwhile, and particularly in the light of the state non-responsiveness towards the mobilization of the vendors, they also started developing new tactics to escape the control of police and City Hall supervisors. They, dispersed throughout the city, changed previous locations, sheltered narrow streets and concealed corners, they became more mobile to escape from governmental agents.

Since 2010 the illegal vendors mostly stopped protesting, and mastered diverse tactics of invisibility. Through describing the tactics of illegal vendors, we also can discuss the strategies of the powerful, in the case the government. I argue that it was the strategy of the government to make the poor in general, and vendors in particular, silenced and invisible. The vendors resorted to diverse and creative ways they could use the space delimited to them, however, their resistance could hardly compensate for the losses they experienced due to marketization process.

I suggest that reading the impact of institutional changes from below, through observing daily practices, and the tactics that allow the governed to manoeuvre in the space delimited for them, is a fruitful way of understanding also the strategy of the powerful.

*Special Session 6: Mega Event Planning: The Impact of the Olympics and World's Fairs on their Host Cities*

#### **TEMPORAL EFFECTS ON LOCAL RESIDENTS' IMPACT PERCEPTIONS OF HOSTING A EUROPEAN CAPITAL OF CULTURE – THE CASE OF "GUIMARÃES 2012"**

**Paula Remoaldo and José Cadima Ribeiro, University of Minho, PORTUGAL**

**Laurentina Vareiro, Polytechnic Institute of Cávado and Ave, PORTUGAL**

**José Freitas Santos, Polytechnic of Porto, PORTUGAL**

The nomination of Guimarães, a small city located in the Northwest of Portugal, as European Capital of Culture (ECOC) in 2012 raised great expectations in the local community towards its socio-economic and cultural benefits. As noted by various authors, namely Kim and Petrick (2005) Kim et al. (2006) and Gursoy et al. (2011), residents tend to have high expectations about the benefits of hosting a mega event, although they tend to recognize that some costs will result from it. Therefore, the present research was designed to examine the Guimarães residents' perceptions on the impacts of the 2012 European Capital of Culture (2012 ECOC) on the city and the municipality of Guimarães before and after the mega event and the differences found between the two time periods.

Data for this study were collected using self-administered surveys applied to the residents of Guimarães (the host city of the 2012 ECOC). Based on the aims of this study, the students of four public secondary schools and one professional school belonging to the municipality were used for obtaining the samples of the surveys. The students from 10th to 12th years of schooling were asked to fulfil the questionnaire and take it home and distribute it to their family members aged more than 15 years old.

Data were collected twice from two convenience samples of Guimarães residents built as previously enounced: in the ex-ante period (from October to December 2011) and after the Guimarães 2012 ECOC (April and May 2013). Following the empirical literature, a total of 20 items were used to assess Guimarães residents' perceptions of the 2012 ECOC' impacts.

Using the data collected prior to the 2012 ECOC, an exploratory factor analysis was performed to identify relevant dimensions of the perceived impacts (5 factors were identified: 3 related with positive impacts and 2 with negative impacts). These factors were validated with the data collected after the mega event. T-tests were performed to analyze the differences in perceptions before and after the 2012 ECOC.

Since we had several variables (20) to measure the expected impacts of the 2012 ECOC, an exploratory factor analysis with a principal component method and varimax rotation was conducted to assess the number of underlying factors and to identify the items associated with each factor. Five factors with eigenvalues greater than one were extracted. These factors were labeled: "Community' benefits"; "Economic, social and environmental costs"; "Safety and infrastructures"; "Changes in traditional practices and habits"; and "Residents' benefits".

After identifying the impact factors, their mean scores were compared in order to investigate variations in Guimarães residents' perceptions before and after the mega event.

Results of t-tests indicated that there were significant differences ( $p < 0.05$ ) on two positive impact factors ("Community' benefits" and "Residents' benefits") and one negative impact factor ("Economic, social and environmental costs"). A possible explanation for this is that Guimarães residents expected the 2012 ECOC to generate many economic, social and cultural benefits and costs. Once the mega event closed, they realized that the 2012 ECOC did not generate as many benefits and costs as they expected.

This results follows what has been found by previous studies, where after the events residents tend to realize that they had underestimated some of the costs of hosting them (Gursoy et al., 2011), even if in the case of the 2012 ECOC this turns more visible in the case of the dimension "changing habits", where the expected costs were higher than residents anticipated.

The study performed made use cross-sectional data from two time periods for investigating the influences of temporal effects (something very common in the literature). We recognize that the use of a longitudinal panel of residents would be a better option, but we were not able to implement this approach. Furthermore, data were collected before and after the mega event (a few months after). Instead of collecting data just after the closure of the event, it would be also better to gather it one or two years after it, when costs and benefits can be really full accessed by residents.

This study aimed to measure expected benefits and costs of the Guimarães 2012 ECOC perceived by residents before the mega event to be hosted and after its closure, and if the residents' perceptions changed based on the experience, as time goes by.

Results gotten showed a decreasing mean values in all dimensions and items, except for "Changes in traditional practices and habits". Statistical significant differences were found in three impact factors: "Community' benefits", "Economic, social and environmental costs", and "Residents' benefits". The findings of this study can be a valuable contribution for the planning and management of future mega cultural events.

*Sustainability - Climate Change, Environment and Energy*

## **COMPETITIVENESS, VULNERABILITY AND RESILIENCE IN THE ITALIAN LOCAL SYSTEMS**

**Paolo Rizzi, Università Cattolica Del Sacro Cuore, ITALY**

In the context of research on the competitiveness and sustainability of the local systems development, we have worked out two descriptive models of regions in three dimensions: Economy, Society and Environment. This work aims to summarize the results of this research path and to present two instruments of multidimensional analysis: the index of competitiveness and sustainability ESE (Dallara 2006, 2008; Dallara and Rizzi 2012) and an index of regional risk (Graziano 2012), both applied to the case of the Italian provinces. The development of the index ESE comes from a conceptual theoretical framework, which allows to describe sustainability as the ability to keep the competitive position of an area, based not only on economic factors but also social and environmental ones. It is intended to identify such factors in the structural and performance elements of the region as well as the strategies of local actors, both public and private. This reading refers to the industrialist approach "structure-conduct-performance" and to the theoretical framework "pressure-state-response" of environmental systems (OECD 1993), highlighting the voluntary aspects of regional competition in the three dimensions of sustainability. The study provides for the assignment of some indicators to the three dimensions and to macro-themes that define them. A step by step aggregation methodology (Dallara

2006, Annoni and Kozovska 2010) is adopted to get a system of indicators and composite indicators for these themes. The set of information updated and enriched with new variables has been used for the description of a new theme, that is very important today for the pursuit of sustainable development of local systems: vulnerability and resilience of local systems. A theoretical framework based on systemic theory is adopted (Holling 2001), according to which the complex concept “regional risk” is positively correlated to the vulnerability and negatively to resilience. Local systems are represented in the three dimensions of sustainability: following the theoretical framework of ESE index, the theme of vulnerability and resilience is treated separately in the economic, social and environmental dimensions, thus introducing new and different aspects from the previous studies on regional risk (Briguglio et al. 2008, Naudé 2008, Blaike et al. 2004, Cutter and Finch 2008, 2010). The aggregation methodology adopted shares with the previous model steps by steps technique, but introduces the possibility of using different aggregate functions in different steps, in order to adapt better the information base to the different needs of reading. This paper aims to describe this research path by comparing what emerges from the results of the application of the ESE framework and the vulnerability/resilience framework to the case of the Italian provinces.

### *Clusters and Smart Specialisation*

## **UNIVERSITIES AND SMART SPECIALISATION: INSIGHTS FROM TWO SOUTHERN EUROPEAN REGIONS**

**Carlos Rodrigues, University of Aveiro, PORTUGAL**

Smart specialisation is at the forefront of the contemporary regional development debate in the European Union (EU). Politicians, policy-makers and academics are enthusiastically waving smart specialisation as the remedy that will fix what went wrong in previous rounds of EU regional (innovation) policy. As such, smart specialisation is deemed to bring over a powerful contribution to avoid a variety of policy shortcomings affecting the ‘old’ approach, namely, as identified in CEC (2012), the consideration of regional innovation systems as isolated territorial entities; the tendency to imitate best performing regions without any concerns about territorial contexts, the mismatch with the regional productive settings; the absence of sound analyses of the regional assets; and the ‘picking-winner syndrome’. Foray and Goenaga (2013) would sum up the whole set of regional policy problems by arguing that smart specialisation strategies will avoid the government failures inherent to top-down and centralised processes of technology choices and selection. The high level of expectations towards the ‘remedial’ effect of smart specialisation is attached to the assumption that the related policy approach will place the emphasis on what is unique in a given region by means of an entrepreneurial process of discovery underpinning a learning mechanism aimed at revealing the R&D and innovation domains in which that region can hope to excel (Foray et al., 2009).

Universities are seen as central organisations in the processes leading to smart specialisation. This centrality is well established in the European Commission’s discourse (e.g., CEC, 2011). Moreover, in tandem with a dose of criticism to ‘dumb’ strategies in which universities were active players in ‘one-size fits all’ approaches to regional development, the role of academia in smart specialisation strategies is being looked upon as featuring some degree of novelty. The argument is that the novel elements of smart specialisation have the potential to bring over new challenges, tensions and opportunities to be faced by universities engaged in regional development (Goddard and et al., 2013).

Goddard et al (ibid) argue that the implications of smart specialisation for the fundamental role of universities in EU innovation policy have yet to be explored in any detail. This paper aims at contributing to this endeavour. It discusses newness in the role of universities as derived from the procedural requisites of smart specialisation strategies. It draws on a comparative review of documental sources, including scientific papers and policy documents, as well as on the previous work by the author (e.g., Rodrigues, 2011, Rodrigues and Melo, 2012, 2013), added by the analysis of specific smart specialisation strategies developed in two Southern European regions endowed both with strong universities featuring a long experience of regional engagement.

## **MAPPING RESIDENTIAL PATTERNS IN FLANDERS, BELGIUM IN VIEW OF A HOUSING MODEL IN TRANSITION**

**Michael Ryckewaert, Vrije Universiteit Brussel, BELGIUM**

This paper analyzes land use patterns of housing in Flanders, Belgium in relation to recent changes in regional housing markets. By mapping historical patterns and future trends, the outlines of a sustainable transition are put forward.

In order to understand the historical development of residential land use in different regions within Belgium, two basic modes of development are discerned. On the one hand, ribbon development corresponds to a one-dimensional linear development pattern. Urbanization in the case of ribbon development does not require the preliminary construction of infrastructure. Residential subdivisions or allotments on the other hand are defined as two-dimensional planar developments. They require the preliminary construction of infrastructure to urbanize formerly open land. The importance of both modes of development is mapped out in GIS in four areas of about 20.000 hectares each, and for two periods (1950-1980, 1980 - 2007) based on historical cartography.

This is combined with a detailed analysis of recent spatial patterns of housing production (1998 – 2009) in a set of case study areas, both urban and suburban, within the 20.000 ha studies areas. These patterns produce a clear view of the persistence as well as the changes that occur in the dominating housing model. This housing model is firmly grounded in a very path dependent housing policy, which results in a strong obduracy of the current housing model.

The spatial trends in housing production are confronted with demographic projections. This confrontation shows that a clear mismatch exists between the current spatial housing production mode on the one hand, and the needs of a sustainable development of housing in the face of an ageing population, climate change and increasing affordability problems on the housing market. The paper identifies the crucially problematic dimensions in the housing production mode, providing clues for a transition of the housing model into a more sustainable one. Concepts of transition theory are mobilized to identify niches of best practices, and to formulate policy recommendations towards a more sustainable mode of housing production.

### *Special Session 3: Critical Studies of Urban and Regional Development*

## **A GLOBAL MARKET FOR POLICY OR A MARKET FOR LEGITIMACY? POLITICS, POWER AND KNOWLEDGE IN REGIONAL (CLUSTER) DEVELOPMENT**

**Line Säll, Karlstad University, SWEDEN**

This paper engages with the literature on policy mobility, travelling policies and experts as well as the mutation of expertise in urban and regional development (Allen and Cochrane, 2007; Larner and Laurie, 2010; MacLeod, 2013; McCann and Ward, 2012; McCann, 2011; Peck and Theodore, 2010). It does so by combining an analytic of government with a focus on its relation to the 'messy actualities' and 'embodied practices' that characterise regional development in Sweden. The study departs from three entrances to the field of regional development and cluster policy in Sweden. The first analysis builds on a genealogical approach to the political rationalities of regional development. By analysing the debate on regional development in the Swedish parliament between 1998 and 2013 the context and (radical change in) the rationality of regional governance is described. From this analysis the study moves on to a genealogical approach to 'cluster policy' in a Swedish, award winning, region (Regio-Stars Awards, 2011). The analysis illuminates how different 'clusters' have been identified and publicly supported since cluster policies was introduced in the 1990's. The third, and main, entrance is inspired by the notion of policy assemblages, mobility and mutations. By following a policy regime engaged in 'cluster development' for four years (2009-2013), the sites, situations and practices of policy making has been analysed. Starting from a Swedish region the mobility of policies, people and knowledge has been traced. Situated practices such as regionally, nationally and internationally arranged conferences for 'cluster policy

learning' have been analysed as well as textbooks, evaluations and benchmarking reports on cluster policy. The analysis shows how not only policies, people, places and knowledge is put in motion within this (cluster) policy regime – producing what has been referred to as a global market for (cluster) policy – but also how this order produce a 'market for political legitimacy'. By focusing on the 'messy actualities' practiced within this policy regime the relations between politics, power, knowledge and rationality are discussed. The results are put in relation to Flyvbjergs notion (1998) that power has a rationality that rationality does not know, but that rationality does not have a power that power does not know. The policy regime tends to define rationality, and hence 'reality', as well as to (re)produce regional power structures.

#### *Special Session 9: Regionalism in International Law and Relations*

### **GROSSRAUM THEORY AS REGIONAL THEORY?**

**Michael Salter, University of Central Lancashire, UK**

Grossraum theory as developed by contributors to the realist tradition within international law and relations, such as Carl Schmitt, E H Carr and Hans Morgenthau, brings together a distinct pluralistic and empirically-informed regional approach within international law theory. This paper will critically assess this general theoretical model for resilient forms of legal-constitutional governance and regulation derived in part from the core features of the US Monroe Doctrine of 1823. In short, a Grossraum has to be considered as a broad political sphere, developed under the largely informal influence of the realm of a hegemonic leading political power (possibly akin to the EU Commission or a regional superpower), and whose distinctive political ideas radiate in a definite and large geographical sphere, excluding the interventions of extra-regional powers. A Grossraum in this sense is a regional power bloc and security protectorate, a distinctly and polemically political arrangement from which influence expands beyond formal state limits and borders, towards surrounding areas filling the entire region as it were with a distinctive ideology. What is clear is that existing Grossraum tendencies reject the false alternative of a re-affirmation of traditional interstate approaches on the one hand, versus, on the other, stateless, universalistic orientations with imperialistic implications that have jettisoned spatial differentiations altogether. This Grossraum model is committed to a multipolar ordering, and thus polemically opposes US imperialisms of various kinds, including economic and cultural types, that purport to represent the "international community" or other unipolar projects. However, no clarification of these three defining strands can ever hope to resolve the issues confronting our current project on regionalism within international law and relations. This is because they merely set out and raise complex interpretative and empirical issues containing far more questions than answers. One of these is to clarify the relationship between Grossraum analysis and classic oppositions in both theory and international relations practice between tendencies towards pluralisation and multipolarity on the one hand, and the universalism of a unipolar type "world unity" on the other. The questions posed include:

- The eclipse of the traditional interstate framework
- The emergence of spatial themes transcending interstate borders?
- The tension between multipolar pluralism vs. universalism?
- What integrates and unifies a Grossraum, and can integration occur through a political idea deployed polemically?
- How best to characterise the nature and role of the "leading power"?
- The novelty of a Grossraum transnational ordering based upon a legally-mediated balancing of power both regionally and extra-regionally.
- Challenges posed to traditional positivistic international law scholarship based on micro-spatial relations and distinctions.
- Six new levels of Grossraum analysis
- The generalisability of such analysis?
- Unresolved problems with Grossraum analysis

We assess the model both in itself and - crucially - in relation to its possible adequacy and sufficiency for conceptualising the evolution of two new regional bodies: namely, the SCO (2001 - ) and more embryonic current attempts to create Pan-African forms of legal governance and dispute resolution. Its aim is thus to provide a backdrop for the two other empirical papers that follow addressing whether the emergence of the

Shanghai Cooperation Organisation (SCO) and a Pan-African Court provide evidence of the emergence of new and potentially resilient forms of regionalism within transnational legal regulation?

*Culture, Creativity and ICT*

## **TOWARDS ANALYZING GOVERNANCE OF CULTURE: THE DYNAMICS OF CULTURAL GOVERNANCE IN TURKEY**

**R. Gokce Sanul, Vrije Universiteit Brussel, BELGIUM**

Described by Jon Hawkes as a 'fourth pillar of development', culture has been linked to the goal of providing healthier public planning with a focus on social inclusion, environmental concerns as well as economic restructuring. This link between the notion of culture and public affairs has resulted in the development of the 'cultural governance' as a conceptual framework. However, not recognized as a distinct research topic and without a precise definition, the field of cultural governance leaves the door open for multiple types of analysis requiring theoretical and empirical evidences. Therefore, this paper aims to contribute to the field by conducting the first critical literature review with a focus on the dynamics of cultural governance in Turkey. Consisting of three parts, the paper will start with the theoretical approach to the concept of cultural governance and be followed by referring to the prominent researches of the field. Secondly, the literature review regarding to the relevant sources from Turkey will be presented with a focus on major limitations. Finally, the concluding remarks will be stated by pointing out the necessities for further research.

This research, based on the examination of the secondary sources consisting of the academic literature and research reports as well as the primary sources like the policy documents of the relevant governmental bodies, aims to highlight two following limitations. First, it has been observed that the existing literature has remained limited to expose the list of interacting actors of cultural governance and generally do not attribute adequate importance to the power relations among these actors. Second, despite the scarcity within the literature there are yet some significant academic publications focused on the power relations regarding to cultural governance. Nevertheless, it is identified that the majority of them are centered upon the case of Istanbul, being the cultural capital of Turkey. At that point, considering the flourishing efforts of many other Turkish cities in the way of boosting the socio-economic infrastructure through the cultural policies, it is claimed that their experiences in terms of cultural governance are lacking in the relevant literature. Accordingly, the statement of these limitations could enable the further analysis of the link between cultural governance and the strong centralized structure of Turkish state, creating highly complex tensions between center and periphery as well as the struggles confronted at the local level which inhibit the socio-economic development.

Overall, this literature review, attributing importance to the examination of the power relations among different nodes of actors and to revealing of the peripheral Turkish cities' experiences with regard to cultural governance, could enable in the long term better understanding of the major problematic paradigms in Turkey such as 'decentralization', 'deconcentration' and 'devolution' which are directly linked to the formation and implementation of healthier urban cultural policies. The last but not the least, considering recently rising tensions about the issue of cultural governance in Turkey, this paper, which presents at the first time the critical review of the existing literature promises to be the first step of a wider research on governance of culture in Turkish cities.

**Key words:** Cultural governance, cultural policy, center-periphery, Turkey, Istanbul



## **THE LONG-RUN DISTRIBUTION OF HUMAN CAPITAL ENDOWMENTS ACROSS REGIONS: EVIDENCE FROM AUSTRIA**

**Sascha Sardadvar, WU Vienna, AUSTRIA**

**Christian Reiner, Institute for Advanced Studies, AUSTRIA**

Human capital in the form of high-skilled employment is widely acknowledged as one of the main drivers of regional and national economic growth in advanced economies (Lucas 1988, Glaeser 2000, Barro 2001, Prager and Thisse 2012, Gennaioli et al. 2013). However, human capital is distributed unevenly across space. Consequently, there has been growing interest in the dynamics of the regional distribution of high-skilled employment in recent years (Faggian and McCann 2009). The smart city hypothesis suggests that relatively skilled regions grow faster than other regions (Südekum 2008). It follows that if such regions are more productive, they may attract further human capital. This, in turn, would lead to divergence with respect to regional skill compositions.

Studies conducted for the US have largely confirmed both expectations (e.g. Berry and Glaeser 2005). Studies which focus on European countries find evidence on the positive influence on growth, but in contrast to the US there exists more evidence on convergence of skill compositions rather than divergence (e.g. Südekum (2008) for Germany, Rattsø and Stokke (2013) for Norway).

This paper tests for 99 Austrian districts for the observation period 1971-2011 whether (i) high shares of high-skilled employees have a positive impact on regional total employment growth, and (ii) whether regional shares of high-skilled employees converge or diverge over time. To this end, we apply a rich dataset which includes the skill composition of employed persons within each district. Descriptive analyses show that Austria's major cities had the highest high-skilled employment shares in 1971. Over the next decades, high-skilled employment shares increased in each district, but tended to grow faster in regions which initially lagged behind. Of these, the major cities' suburbs grew fastest.

We apply cross-sectional and panel regressions with the purpose to identify the determinants of total employment growth as well as the evolution of skill-specific employment. We control for various regional characteristics such as employment density, productivity, and industrial composition as well as geographical attributes and spatial effects. In addition, we estimate our regressions for different periods to acknowledge for changes in economic policies and framework conditions, of which Austria's accession to the European Union and the simultaneous opening of the former centrally planned economies during the 1990s mark the most important changes.

The results provide some evidence for positive effects of the share of high-skilled employment on total employment growth, although this effect varies over time. At the same time, the results strongly hint at convergence of human capital endowments during each period, although the effect is more pronounced before the 1990s. We find only weak neighbourhood effects. In contrast, regional attributes as well as the geographical location have strong effects. In particular, the results show that suburban regions as well as densely populated areas grew faster with respect to both dependent variables, and that districts which bordered the Eastern bloc were disadvantaged.

## **"WHO RULES THE CITY?" ART, ECONOMY AND SCALE IN POST-INDUSTRIAL NUREMBERG**

**Nicolai Scherle, BiTS University, GERMANY**

**Sebastian Hillebrand, Catholic University of Eichstätt-Ingolstadt, GERMANY**

Since the 19th century Nuremberg has been the core of one of the leading industrial centres in Central Europe. With the onset of the transition from an industrial to a post-industrial society, the North Bavarian city is undergoing painful socio-economic and physical restructuring. One of the most typical manifestations of this

process is the closure of large industrial areas in the western part of the city. Two projects are especially noteworthy in this respect: The former AEG site is being revitalised by an association of regional, supra-regional and commercial interest groups – following the example of a benchmark revitalisation project in the art metropolis Leipzig. While economic imperatives have for some years capitalised art and creativity to promote a creative economy on the AEG site, the logic of application appears to be inverted on the recently closed neighbouring site, the so-called Quelle site. In opposition to the planned large-scale solutions (department stores, housing, demolition etc.), artists in particular appear to play a central role in local counter-movements and alternative development discourses focussing on the Quelle site. Both projects ultimately pose the central question that is increasingly evident in the context of conversion or gentrification: “Who rules the city?” Relevant developments will be presented from a problem-oriented perspective using media discourse analysis, and selected findings of a qualitative case study will be presented.

*Sustainability – Climate Change, Environment and Energy*

## **LOCAL PERCEPTIONS OF VULNERABILITY AND RESILIENCE. HOW THE GERMAN CITIES OF LUEBECK AND ROSTOCK CONSTRUCT CLIMATE CHANGE DIFFERENTLY**

**Petra Schierz and Gabriela Christmann, Leibniz Institute for Regional Development and Structural Planning, GERMANY**

The paper reports from a research project studying coastal cities of the southern North Sea and Baltic Sea and pursuing the research question of how local societies construct climate change. The results will show that local interpretations of climate change impacts may differ significantly irrespective of similarities in natural conditions. In the German city of Lübeck challenges of flooding and the vulnerability of the old city are recurrent topics in the local discourse. At the same time, however, Lübeck is portrayed as a city that has always defied the biggest challenges in its long Hanseatic history and that is traditionally resilient and well-equipped to cope with the climate change-induced threats to come. In the same region, in the Hanseatic city of Rostock – only 100 km away from Lübeck and confronted with the same disaster scenarios – surprisingly, such a mode of interpretation does not play any role in the perception of climate change. The East German city perceives climate change much more as an opportunity. Long periods of warmth might help to make the region more attractive to tourists which will have a positive effect on the job market and will make the city resilient compared to its precarious economic situation.

Thus, against the background of different socio-cultural knowledge, cities, regions or whole societies can differ with respect to the ways they construct vulnerability and also actions to improve resilience. It is unnecessary to emphasise that these different constructions have consequences for coordinated action in building resilient and sustainable communities, for instance in governance processes, and are therefore particularly worthy of attention.

Against this background, it will be argued that the conceptions of “vulnerability” and “resilience” which have been strongly influenced by ecology and natural hazards research need to be widened. A theoretical concept will be suggested that is enriched by cultural dimensions and particularly by the aspect of the social construction of reality implying that actors may develop different perceptions of potential threats as well as of precautionary measures – even though from the perspective of scientific scenarios the endangerment seems clear and proven. This does not mean, however, that materiality should be neglected which is why considerations from actor-network theory will be taken into account.

**CROSS-BORDER COOPERATION OF CITY REGIONS IN THE BALTIC SEA REGION – BETWEEN MULTI-LEVEL GOVERNANCE AND REGIONAL GOVERNMENT**

**Magdalena Schöenweitz, Humboldt University Berlin, GERMANY**

Comparative research on cross-border cooperation, it is often criticised for comparing apples and oranges, for being unsystematic and for its harmonizing reading that does not provide room for the single cases' individuality. This criticism points to serious challenges in cross-border research and asks simultaneously for a reconsideration of analytical tools and the development of more comprehensive approaches for comparative research on cross-border regions.

The following paper gives an overview on my recently finished PhD project that is based on the general assumption that comparative research on cross-border cooperation is fruitful for three reasons. First of all it helps to reconsider well-established analytical approaches. Secondly, it provides different perspectives on the single cases not only for researchers but also for practitioners and decision makers. Finally, it also helps to evaluate the impact of policies of the third level, like the European Union, directed towards cross-border areas.

In order to pay attention to the criticism raised, this piece of research proposes an analytical framework that combines well-established post-structuralist and governance approaches. Thus, it develops a comprehensive catalogue of guiding research questions of which the most central are: How do forms of cross-border cooperation evolve and develop? What is their specific background and context? Do identity related elements matter? To which extent has the forum become institutionalised? Does the context perceive this form of cooperation or is it primarily a self-referential organisation?

The catalogue of questions is applied to three somewhat structurally similar cases of cross-border cooperation across the Baltic Sea: the Oresund Region, the Euregio Helsinki-Tallinn and the Gothenburg-Oslo Region. All three cases have in common that they are built on large urban areas. Thus, they share similar structural features, like their strategic position, both nationally and internationally, their size, their financial and administrative capacity.

The study provides answers to these questions through three in-depth case studies. It explores the evolution and development of cross-border cooperation of large urban areas in the Baltic Sea Region in face of developing government structures, governance practices and cultural processes. The comparative part of my presentation points to similarities and differences of the single cases, as well as to favorable and hindering conditions. Finally, it identifies three additional relevant aspects: the aspects of timing, marginalisation and localisation.

**A NEW APPROACH FOR DELINEATING AND VALIDATING LABOUR MARKET REGIONS**

**Barbara Schwengler, Institut fuer Arbeitsmarkt- und Berufsforschung, GERMANY**  
**Per Kropp, IAB Regional in der Regionaldirektion Sachsen-Anhalt-Thuringen, GERMANY**

In our paper we propose a new approach for delineating functional labour market regions based on commuting flows with strong interactions within the region and few connections with outside areas. As functional regions are an important basis for analysis in regional science and for labour market and economic policy it is necessary to define functional regions in an adequate way.

While previous studies devoted to the delineation of labour market regions have employed a variety of methodological procedures, such as cluster analysis, the threshold method and factor analysis, we apply the graph theoretical approach as a suitable method. Based on a modification of a dominant flow approach we produce many meaningful delineations for labour market regions using the commuting flows of all employees

in Germany who were subject to the compulsory social security scheme on 30 June for the years 1993 to 2008 on municipal level.

To find the best delineation we introduce the modularity measure  $Q$  that is commonly used in network science. With this measure it is possible to compare different delineations in an unbiased way with regard to the number of defined regions in contrast to measures like commuting shares or self-containment ratios. In comparison to established delineations in Germany our best result was confirmed by other commonly used measures: Delineations with high modularity values had fewer outward commuters, more balanced commuting ratios, and higher levels of employment and self-containment. But, the modularity measure  $Q$  does not necessarily improve if regions are merged.

We found out that good delineations comprise just a small number of labour market regions for Germany, round about 30 to 75. The best result we found was a 50-labour-market delineation, in other words fewer regions than the well-established functional delineations in Germany with 96, 150 or 270 units. These 50 labour market regions are quite heterogenous in their terms of size.

Especially around large cities complex commuting patterns lead to large labour market regions. These large agglomerations can by no means be characterised as dominant centres and immediate commuter belts. Commuting flows between sub-centres within the hinterland and between the hinterland and the periphery also play an important role. Even if the labour market regions transcend the boundaries of commuter belts, they constitute a common labour market.

We could also show that established functional delineations in Germany do not always capture important commuting relations between regions in an appropriate way, as observed from the significantly higher commuting rates in the case of delineations comprising a large number of regions. This is especially true for delineations that are subject to certain restrictions such as minimum size, maximum commuter times within the labour market region, and consistency with administrative boundaries.

*Culture, Creativity and ICT*

## **CONSTRUCTING MEDITERRANEAN CREATIVITY CULTURAL AND CREATIVE INDUSTRIES IN TURKEY, ITALY AND SPAIN**

**i. Erdem Seçilmiş, Hacettepe University, TURKEY**

**Luciana Lazzeretti and Francesco Capone, University of Florence, ITALY**

The Mediterranean region is receiving more attention in recent years. This is due because the heterogeneity of countries that compose it raises several difficulties in business collaborations (ILO, 2010), but it also unfolds several cross-national economic opportunities to develop among Mediterranean countries (UNECE, 2010).

Recent contributions underline the importance of tourism and culture-led economic growth in the European, Asian and African countries that border the Mediterranean Sea (Aslan, 2013; Tugcu, 2014). This region is a border area between Europe and the African and Asian countries, a cross-roads of many civilizations, cultures and religions, an area full of history and with an important endowment of cultural heritage (EU, 2011).

Also Europe Union commits itself to develop international relationships in Mediterranean countries. Two examples are the EUROMED and ENPI programmes, the first one related also to Cultural Heritage. In fact, it represents a milestone in the process of recognizing 'culture' as a catalyst for mutual understanding between the people of the Mediterranean region.

In this context, cultural and creative industries (CCIs) have raised a big hype in last decade from seminal contributions of DCMS (2001), both at academic level (Lazzeretti and Cooke, 2008; Markusen et al., 2008) and at institutional level (UNCTAD, 2008; WIPO 2003; KEA, 2006). Cultural and creative industries are more and more recognised as a source for economic development and growth (Power, 2011; Potts and Cunningham,

2008) and innovation (Bakhshi et al., 2008) also in order to “unlock their potential” to surpass the recent economic crisis (EU, 2010).

Within the Mediterranean region, the Turkish case represents a first example of a border country, a crossroad between Europe and Asia. The analysis of cultural and creative industries can be useful to show that in this area there are many similarities with European Countries and that intercultural exchange and cross economic development is possible.

The study aims to focus on a larger area represented by the Mediterranean region and some of the most important countries such as Italy, Spain and Turkey. We map cluster of CCI in the Turkish territory according to a methodology developed at European level (Lazzeretti, 2013; De Propriis et al., 2009), following most recent approach on creative industries (DCMS, 2013). CCI are geographically mapped through the instrument of GIS and analysed presenting also a benchmarking with two other Mediterranean countries: Spain and Italy. The creativity specialisation found in this region is similar and this allows us to begin to discuss the idea of a ‘Mediterranean creativity’ cultural and heritage driven, different from technology related creative industries diffused in Northern Europe (Boix et al., 2013).

Results confirm that CCI develop predominantly as an urban phenomenon concentrated in large metropolitan area in Mediterranean countries. The three countries moreover show similar characteristics according to the so called ‘Mediterranean’ creativity.

The paper is divided in six sections. Next part introduces the concept of Mediterranean creativity and the importance of the Mediterranean region for fostering cultural and creative led economic development. Section 2 deals with cultural and creative industries in Mediterranean region. Section 3 presents the research design, data sources and the mapping methodology. Section 4 focuses on the analysis on Turkey with a specific focus on Ankara and İstanbul metropolis. Section 5 present the benchmarking with Italy and Spain, highlighting similarities and differences of CCI in the three countries. The paper ends with some conclusive remarks useful to construct the concept of ‘Mediterranean creativity’.

#### *Urbanisation and Cities*

### **DEFINING URBAN SOCIAL SUSTAINABILITY FOR SMALLER CITIES. A LITERATURE STUDY**

**Eugenia Segerstedt, Lena Abrahamsson and Jakobsson Mats, Human Work Studies, Luleå University of Technology, SWEDEN**

The idea of keeping a city in balance and planning for a better life of its citizens isn't new. Social sustainability as a term is although a relatively new field of scientific research where studies on possible definitions have mostly been made after the millennium shift. As Ghahramanpouri, Lamit and Sedaghatnia point out (2013), the work on defining the social aspect of sustainability is ongoing, and the definitions either focus on conditions for socially sustainable development or on different key factors for studying and measuring it. The aim of this paper is to define modern scientific trends within the studies that define social sustainability in cities and to identify a gap in research having in mind the possibility of applying existing definitions on smaller cities. A large number of scientific literature has been scanned and key works were identified and discussed. The scope of studies in the literature search came from social science, urban planning, urban policy and sustainability policy among other fields. After identifying the important historical works the scope was limited to articles written in English and published from 1990 to 2013 in order to identify the research front. Numerous databases were used during the search including Sage Journals, Web of Science, ScienceDirect etc.

Social sustainability is a dynamic concept, changing in time and space (Dempsey, 2011) and depending upon context (Maloutas). Thus studying urban sustainability in a certain area and time the empirically based preferences are of importance as well as studies done in the local context. Vallance et al (2011) discuss how social and ecological sustainability can be combined. Three ways of addressing social sustainability are analyzed in the article. In development social sustainability the anticipation is on meeting basic human needs as healthy food, access to water and sanitation as well as the issues called less tangible as justice, employment and equity. Another type is bridge social sustainability where the goal is to make a better connection between the bio-physical environment and people living in it in order to improve the balance. Maintenance

sustainability focus on “traditions, practices, preferences and places that people will see maintained” (Vallance et al 2011, s. 345). Studying urban maintenance sustainability is about maintaining the city where people choose to live. Those categories are based on ways to combine social and ecological sustainability while economical sustainability seems to be mostly left out.

In this literature study it is argued that studies with a close focus on social sustainability can emphasize social change rather than maintenance. Studies in social sustainability in urban context could benefit from analyzing potential changes that can increase well-being in the community rather than limiting the focus on the good practices and parts of cities that should be maintained as they are. Social sustainability approaches can be structured within social sustainability field where the material and non-material factors of importance serve as criteria for classification. Bibliographical analysis of the field is organized in the following dimensions of urban social sustainability: 1) social equity 2) social interactions and participation in local networks 3) community resilience 4) sense of community belonging 5) safety and security 6) proximity.

The main result of a literature study it that the theoretical construct of urban social sustainability has been mostly formed in the studies of big cities and the analysis of smaller cities could broaden the theoretical perspective by combining the elements of urban and rural studies and giving the concept of proximity a special place in the theoretical framework. This framework would allow combining the concept of change and maintenance and incorporating the concept of resilience in urban studies of smaller cities.

#### *Tourism and Experience Economies*

### **THE IMPACT OF THE LOCATION OF DOWNTOWN HOTELS ON TOURISM DEVELOPMENT AND PRICING IN ANTALYA**

**Aykut Sezgin and Murat Ali Dulupçu, Süleyman Demirel University, TURKEY**

The tourism sector in Antalya, Turkey has grown exponentially, and the rapid development tourism led to incredibly increase in the number of hotels: for example, the number of 5 stars hotels in Antalya is bigger than the whole Spain. This transformation in the region, of course, has created strong implications in the location choices, culture, tastes, and expectations. One of the main dilemmas of mass tourism in Antalya is low interaction of tourists with the city centre and correspondingly low revenue generation from the tourism sector. However the regional authorities are implementing various strategies and programmes to make city centre more attractive. In this regard the location of accommodation facilities in the city centre became more important.

The purpose of the paper is establishing the relationship between space-specifications-pricing policy of Antalya downtown hotels which have three, four and five stars with using geographic information system and spatial econometric analysis. To do this, 90 interviews have been conducted with the downtown hotels in Antalya to gather detailed information including their location selection decisions and hotel specifications. Furthermore these data will be mapped with ArcGIS computer program and spatial regression analysis will be done. Some of the main research questions are as follows:

- the locational determinants of room rates,
- the relationship between price and location,
- the relationship between price and hotel specifications,
- how much the distance matters in the downtown for tourism and room rates?

**Olga Shevchenko, The National Institute for Strategic Studies, UKRAINE**

Socio-economic development of regions is characterized by overgrowth of disparities in the main indexes. During the crisis of 2008-2009 regional disparities in Ukraine were reduced through the reduction of socio-economic indexes in high-developed regions and their approximation to the indexes of transitive and less-developed regions. After the crisis, economy of high-developed regions was renewed but, economy of other regions continued to be at the low level. Regions feel lack of investment and financial resources. In the amount of budget resources, part of general grants is growing and part of specific grants is decreasing, part of own resources is expanding and part of state grants is declining. On one hand, the financial efficiency of regions is strengthening and on the other, the possibilities for free funds operation become narrow. Investment resources continue to be concentrated around the big cities and in the high-developed regions. External economic trade conjuncture is not formed for the benefit of less-developed regions and they continue to lose sale areas. Regional development policy should consider the necessity to regulate disparities.

It should be mentioned that disparities of regional development cause both negative and positive impacts on the development of regions. Positive tendency is the creation of stimulus for activation of economic activity, capital floating, and movement of working force between the regions. However, negative components of regional disparities make bigger influence on social and economic development of regions, thus, disparities need to be relevantly regulated and corrected.

Regulation of economic disparities means the use of positive features of these disparities. Thus, it is reasonable to analyze how instruments of state regulation – state constructs, grants, investments – can improve (raise or optimize) the indexes of economic development in regions. Investments are one of the instrument of state regulation of regional disparities and the instrument of raising the rate of regional economic growth. The biggest part occupies internal governmental investments. The way which the state allocates them into the regional economies (through the direct methods) defines the possibility of equation of disparities in certain socio-economic indexes within the whole country. The state investment policy is intended to take into account the next conditions for investments inflow: a demand of real sector in highly profitable inputs, amount of savings and possibilities of their moving to the category “investments”, accessibility of credits, and flow of foreign capital.

It is reasonable to make hypothetic assumption related to the influence of investment resources allocated by the government on the general indexes of social and economic development in the country and the change of disparities in the country. It can be done through the correlative-regressive analysis used for discovering of influence: indexes of amount of internal governmental investments and construction on the index of gross regional product; indexes of foreign direct investments and export-import indexes on the index of gross regional product.

The analysis revealed the tight link inside these groups of indexes. Therefore, in order to switch on the mechanisms of economic activity in regions with low rates of development it is necessary to interfere in allocation of investments.

State contracts for production of certain goods have positive potential which promotes the better allocation of governmental funds and maintains productive capacities of enterprises; the enterprises which obtain state contracts form additional work places have guaranteed sale markets, produce goods which are necessary from the view of total economic effectiveness. State grants to enterprises for the manufacturing can be considered as de-stimulant for productive process but also as additional investment source (for general or specific goals).

Mentioned instruments are the direct tools of state influence on regional disparities, they create possibility of effective use of investments.

Direct instruments make point influence on investments allocation. Direct instruments can create investment magnets – enterprises and organizations, which accumulate some part of investments. Local authority should clearly define the list of productive enterprises and organizations on which the main amount of investment

resources and budget grants must be assigned and then they would be able quickly raise the volume of output. Demonstrating successive activity, they form stable and encouraging investment climate, make around themselves something like gravitation field for investments attraction

The main tasks for local authority in the sphere of investments are to recover internal potential and to find the objects for investments. It could be done with the help of new or well tested instruments – public-private partnership, using resources of state fund of regional development and incomes of development budget, state contracts and budget granting for certain enterprises. Towards the accumulating of resources and their profitable allocation it is necessary to organize the communal bank in every region which will control the effectiveness of centralized investments resources distribution on regional level. It will provide stimulus for additional inflow of private investments in the most priority sectors of economy.

#### *Territorial Governance and Regional Leadership*

### **CHANGING DIRECTIONS? LEADERSHIP FOR ECONOMIC GROWTH, PLANNING AND TRANSPORT IN ENGLAND**

**John Shutt, Leeds Business School, UK**

**Gill Bentley, Birmingham Business School, UK**

**Lee Pugalys, Northumbria Business school, UK**

This paper examines the second stage development of the LEPS in England and builds on our earlier work on the LEPS (Shutt Bentley G and Pugalys L, 2012). In England there has been a sea change in the leadership of economic development and regeneration under the coalition government of 2010. The Regional development Agencies were swept away and replaced by 39 Local Enterprise Partnerships, where the emphasis was on the new localism and bringing the private sector into the game as the key driving force for change and the transition to a new growth agenda. After three years and a slow start and poor capacity these LEPS are to be given a new lease of life and have reached a new stage of development. From January 1<sup>st</sup> 2014 they have been given the European structural Funds to manage and programming responsibilities for 2014-2020 and from 1<sup>st</sup> April 2015 they will have access to the new funds from the Lord Heseltine review (Heseltine 2013) although initially only for one year to 2016!

This paper looks at the leadership of regeneration, planning and transport in the new City- regions and the very different LEP configurations for smaller towns and rural areas and asks whether the LEPS are up to the task of delivering substantial change in England for 2014-2020 at sub-regional and city levels. The paper looks at the Cross Country LEPS: the four regions of the North east, Yorkshire, West Midlands and South West and examines the different responses to Leadership for Growth and regeneration in the very different city-regions. The emergence of the new Combined Authorities in Liverpool, Sheffield, Leeds and Manchester and Newcastle from 1<sup>st</sup> April 2014 may change the future for the leadership of strategic sub-regional planning once again, but different models are emerging across England and even in the second stage the LEPS may still be too fragmented and weak in terms of capacity and capability in economic development and planning.

#### *Labour Markets and Migration*

### **CHANGING PATTERNS OF WORK AND WELFARE IN BRITISH CITIES**

**Paul Sissons, Centre for the International Business of Sport (CIBS), UK**

**Neil Lee, London School of Economics, UK**

British cities are increasingly viewed as 'drivers of growth'. As such in England they are being encouraged to take on additional powers and responsibilities through a series of City Deals negotiated with central government. Cities are also the sites of some of the country's most acute labour market disadvantage, leading to questions of who gains from city growth and how?



Previous research has examined the scale of employment growth in the Core Cities, a group of eight large provincial cities and city regions. This work shows that employment growth in the Core Cities peaked as far back as the late 1990s and was relatively slow in the period leading up to the recession when compared to other parts of England (Champion and Townsend, 2011). However the distribution of the benefits of this employment growth has been the subject of less attention.

This paper assesses patterns of change in work and welfare in British cities. Focusing particularly on the extent to which labour market disadvantage was reduced during the long-period of economic growth, and what affect the 2008-2009 recession has had on these patterns. Taken together the analysis reveals important insights about the relative performance of British cities, and the extent to which growth was linked to improved social outcomes.

The paper concludes by discussing what the findings mean going forward in the context of large reductions to public sector employment, cuts to welfare spending and welfare reforms to a number of benefits, all of which will disproportionately affect the poorest cities.

#### *Borders and Cross Border Cooperation*

### **INNER AND OUTER BORDER REGIONS IN THE EUROPEAN UNION: DIFFERENT DEVELOPMENT PROCESSES – CASE STUDY OF TWO POLISH SUBREGIONS**

**Maciej Smetkowski and Marek Kozak University of Warsaw/EUROREG, POLAND**

The paper is devoted to the comparison of development processes and factors influencing them in the two Polish subregions located on western (EU internal) and eastern (EU external) border. The paper addresses the following hypotheses: 1) Spatial proximity still plays very important role in supraregional socio-economic interactions in peripheral border regions as these regions lagging in adaptation to contemporary informational economy 2) The difference in border regimes is relatively unimportant factor of transborder interactions as economic and cultural underpinnings play the crucial role in this field 3) Territorial cooperation is highly dependent on availability of external funds as the perception of its efficiency and effectiveness is relatively poor 4) Overall impact of public policies including CBC cooperation is very limited as they are not focused on structural adaptation, but rather lead to petrification of existing socio-economic structures. The paper uses the statistical data, surveys conducted among firms and citizens as well as in-depth interviews with local and regional stakeholders gathered in last two years thanks to involvement into three research projects: TERCO (European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life), EUBORDERREGIONS (European Regions, EU External Borders and the Immediate Neighbours), and GRINCOH (Growth – Innovation – Competitiveness: Fostering Cohesion in Central and Eastern Europe) to verify these hypotheses.

#### *Community Economic Development*

### **CAN THE COALITION GOVERNMENT'S SUB-REGIONAL STRUCTURES IN ENGLAND DELIVER ON ECONOMIC DEVELOPMENT?**

**David Smith and Enid Wistrich, Middlesex University, UK**

This paper utilizes material drawn from our current research study discussed in full in our latest book (Smith and Wistrich, 2014) in which we use historical material and policy study, as well as our own empirical material drawn from our study of regional and local elites, to investigate the development of decentralization policies in England up to the present day. This present conference paper focuses on the current Coalition Government's policy of replacing previous regional structures for economic development with sub-regional bodies in the form of Local Enterprise Partnerships (LEPs) and City Regions and asks what issues this raises and what future developments are likely.

We first trace the development of LEPS and City Deals and look at those elements which are distinctive from the previous Government's approaches and then evaluate the strengths and weaknesses of the sub-regional structure which is developing. We conducted additional interviews with our panel to investigate the inner workings of some LEPS, their governance, organizational structure and capacity to engage with neighbours in developing wider economic plans as well as their approach to the latest City Deals.

In investigating some of the inner workings of LEPS, we identified several potential and actual problems experienced by these bodies, their likely effectiveness and their relationship with city deals, particularly with the second round of city deals' which are still in the process of being approved by the Government. At the same time LEPS are still seeking approval for their own local economic growth plans which are not always informed by the City Deals. We draw preliminary conclusions and consider the impact upon these of the continuing commitment of the Coalition Government to a smaller state and its tendency to favour the central state over the local state in the distribution of resources.

Finally we consider possible future developments in sub-regional and regional policies across the political spectrum following the forthcoming general election, looking at how the various political parties appear to be considering the sub-regional and regional levels in the search for a regional/ sub-regional approach to greater economic growth.

#### *Innovation and Knowledge Economies*

### **BETWEEN PATH DEPENDENCY AND PATH CREATION: A STUDY OF UNIVERSITIES' ROLES IN REGIONAL CREATIVE INDUSTRIES**

**Elisabet Sørkjorddal Hauge, Agderforskning, NORWAY**

**Romulo Pinheiro and Arne Isaksen, University of Agder, NORWAY**

This paper argues that collaboration and involvement appears differently regarding what perspective collaboration is understood within when studying actions and entanglement between a university system and local embedded creative industry. Cooperation becomes detected and understood a unique way when the framework of understanding is path dependency oriented and differently when research approach is more oriented into a path creative perspective. To understand how a university system merges and tangles with creative industries, research results will be strengthen if the focus are both on processes of path dependency and path creation. Therefore this article aims to discuss how universities' roles in the establishment and further development of locally-embedded creative industries and/or clusters change or evolve when development processes are understood from the perspective of seemingly opposite ontologies (within evolutionary economics).

There is a general recognition of the positive contribution of universities to the economic, social and cultural development of cities and regions (Pinheiro, Benneworth et al. 2012; Benneworth 2013; Goddard and Vallance 2013). Path dependence perspective illuminates how the set of decisions for any given circumstance is limited by the decisions made in the past, even though past circumstances may no longer be relevant (Praeger 2007). Path creation refers to the theory of emergence, suggesting the need to incorporate how local actors (agents) experience and enact (emergent) complex processes through discussions, debate, and experimentation (Stack and Gartland 2003); hence shedding light on relational processes constituting phenomena (Garud, Kumaraswamy et al. 2010), including the role of strategic change and deliberate action (c.f. Powell and Colyvas 2008). Having the two opposite perspectives in mind, the authors endeavor investigating the research question "How do a regional university system and locally embedded enterprises interact and entangle to influence regional development processes?"

The study adopts a case-study research design (Yin 2009). The data set is drawn from a series of semi-structured interviews (conducted between February and May 2013) with senior local academics and administrators representing the University of Agder (UiA) in Southern Norway, as well as representatives from local creative industries. Such an integrated approach allows us to shed light on the interplay between unplanned and deliberate actions in the context of the adopted vision, namely: to contribute to the broader

(economic, social and cultural) development of the (Agder) region in direct cooperation with society and key local agents (Pinheiro in press). More specifically, we investigate the importance attributed to path dependencies with respect to the regional role of the university (Pinheiro 2012) as well as on-going (strategic) efforts across the board (central and sub-unit levels) aimed at supporting the transformation (policy goal) of Agder into a “creative region” (Pinheiro and Hauge forthcoming) where creative industries play a central role in urban policy and strategic planning.

#### *The Economic Adjustment of Regions*

### **THE IMPACT OF ECONOMIC CRISIS ON GEOGRAPHIC AND PRODUCT EXPORT DIVERSIFICATION: THE CASE OF POLISH REGIONS**

**Barbara Szejjec, Institute of Geography and Spatial Organization, Polish Academy of Sciences, POLAND**

This study investigates the effects of global economic crisis on regional export performance, it presents the dynamics of various dimensions of geographic and product diversification. The paper is a result of the research project “The impact of global economic processes on local development”, financed from the funds of the National Science Centre (Poland) on the basis of the decision No. DEC-2011/01/B/HS4/03694.

The study uses data from Poland’s Ministry of Finance, which enables the examination of how global economic crisis affected local economies in terms of multiple export performance measures. The period covered the years 2005 to 2009 that coincided with upswings and downturns of the global economy. This was a period when Polish exports did change much, especially at the local level. Part of the analysis covered also the period up to 2011 as some of the qualitative changes of export performance did occur in a longer perspective than quantitative changes.

In order to investigate the impact of global economic situation on regional export diversity, the empirical analysis focuses on few measures of export variety: 1) the number of export destinations, 2) the role of individual markets, 3) the number of exporting companies, 4) the number of exported products as well as 5) the role of industry structure in the local economies.

Specifically, the paper hypothesizes that regions with low geographic diversification level has increased the number of export markets (geographical export expansion is likely to be a result of searching for new sources of revenue as a substitute of declining markets), while regions with high geographic diversification has either reduced the number of export markets or there has been a significant shift towards more profitable markets. No empirical evidence is found to support the argument that product diversification changes are the response to the recent global economic crisis, however there has been observed some important changes in the export of products by level of technology intensity (the capability of local economies to introduce high-tech products). More detailed results are discussed in this paper, the view offers contribution to understanding of the relationship between the economic performance of the regions and geographic and product export diversification.

#### *Culture, Creativity and ICT*

### **LINKING COMMUNITIES AND PLACES – LACEMAKING FESTIVALS AND THEIR ROLE FOR PEOPLE, HERITAGE AND REGIONS**

**Anna Sznajder and Katarzyna Kosmala, University of the West of Scotland, UK**

The lacemaking festivals became tradition carefully cultivated in many European countries. There is even the calendar of events constructed by lacemakers, so dates will not overlap and interested parts will be able to participate. Adopting this tradition, since 1999 every October similar festival has taken place in Bobowa, small town in Southern Poland, which civic rights has been recently restored. This situates the festival in specific

urban-rural context emphasized by the character of handicraft, which was made here from generations as cottage industry.

This paper examines two issues related to the event. Firstly, it will reflect on social and cultural impact for locals and incomers during the festival. It will present the role of craft festival for rural communities' engagement and for tangible and intangible heritage preservation. Secondly, it will study the indirect influences of the festival for the enhancement of entrepreneurial activity in the region in the form of craft businesses and initiatives. This will lead towards the reflection how the contemporary place (constituted by Socialist and Post-Socialist influences) is given a new sense, how its identity is rebuilt and negotiated with other places famous from lacemaking heritage in Europe.

Finally, paper try to answer the question how to increase the meaning of the event for peripheral community and support its heritage from disappearance with passing generation. Here some plan for strategic development in the region is necessary and the presentation will reflect upon this issue and the possibilities of combining it with other European regions of lacemaking heritage. The support of local governments, organizations and individuals in maintaining a common value relying in material culture seems to be crucial for further preservation of these rare skills and craft.

*Innovation and Knowledge Economies*

## **INNOVATIVE REGIONS IN CREATIVE AND CLUSTERED SPACE**

**Krzysztof Szólek and Małgorzata Markowska, University of Warsaw/EUOREG, POLAND**

Progressing processes of globalization, internationalization and the turbulences caused by world financial crisis result the growth of interest of regional problems. Some regions are becoming more reliant on interregional flows of trade, labour and resources. Interactions among regions are experiencing rapid changes as a result of dramatic shifts in production and consumption patterns, advances in information and communication technologies and creation of clustered structures. These changes pose many challenges for the analysis and management of regions. New spatial interactions at new scales demand new approaches for consultation and coordination.

The purpose of the research is an attempt to identify and pinpoint cores of complexity of functioning's process of innovative region in creative and clustered space which is a consequence of paradigms' evolution of social and economic development and increasing role of holistic and network paradigm. Multitude of problems related to these issues constitutes assumption for systematic studies and analyses devoted development of territorial units level NUTS 2. Additionally, the changes taking place in the structure of modern economic region are determined by dynamic development of networks and growth of innovativeness.

Authors present results of analysis related to innovative capacity of 310 regions (level NUTS 2) in Europe. There are 268 UE regions, 1 Icelandic region, 7 Norwegian regions, 7 Swiss regions, 1 Macedonian region and 26 Turkish regions examined in the paper. Analysis includes 8 variables in 2008-2012. Afterwards, using benchmarking method, a few regions are chosen and taken into consideration within diversity approach. Chosen benchmarks, which achieved high values of accepted variables are analyzed in terms of creativity and clustering processes. Authors would like to show if there are connections among high innovative capacity of European regions and development of creative industries and clusters (especially eco-innovative clusters) in these regions. As a consequence of the undertaken considerations stimulants of functioning modern territories as resilient communities will be described. Diverse social and economic structure of region favours less sensitivity to external shocks. Building resilient regions is seen as particularly important in the wake of the global economic crisis as a new source of economic growth. On the other hand it is important to indicate these factors and/or tendencies which create competitive structure of region in the contemporary multidimensional space.

Description of the role of innovations, creativity and clusters in modern regional economy is one of the key assumptions of the paper. Current mechanisms of social and economic development of space which determinants are technological progress, evolution of informative society and globalization of economy make

new conditions of operation for territorial units, particularly for regions. Spatial concentration follows related to benefits of creative industries and clustered milieus but on the other hand connected with expansion of innovative networks in world-wide. These connections usually are based on knowledge, information and new technologies. Nonetheless, in the face of contemporary challenges, regional development is based not only on human and/or creative capital but also on social capital where trust is one of the most important elements. That's why in the end of elaboration, taking into consideration all results of conducted analyzes, authors suggest possible directions of operations in management of innovative regions in Europe.

Authors hope, that by concentration on the essence of new problems, dynamically changing challenges of functioning of regional structures in creative and clustered space, will propose interesting reading of cognitive and theoretical character with empirical examples of effective creation and implementation of actions as regards new situation of economic region on the threshold of the second decade of the 21st century.

*Sustainability - Climate Change, Environment and Energy*

## **PATTERNS IN URBAN SUSTAINABILITY DETERMINANTS: AN EMPIRICAL ANALYSIS OF THE CITIES OF QUEBEC**

**Georges A. Tanguay and Juste Rajaonson, Université du Québec à Montréal, CANADA**

To improve their environmental and socioeconomic performance and achieve their sustainable development (SD) goals, cities have implemented diverse measures, such as applying road tolls, favoring higher density housing development, and building bicycle paths. Such initiatives are often inspired by the best practices of cities known for their sustainable policies, and by approaches demonstrated relevant in individual case studies; however, given that each city is unique, these best practices and approaches are not always transferable. Indeed, cities that replicate the practices of successful counterparts often do not achieve similar results. For instance, building bicycle paths has helped several cities reduce car dependence and consequently reduce the impact on environment of traveling, while in other cities such an initiative has had no effect on car modal share. This suggests that there are conditions that explain why some cities are outperforming others environmentally and socioeconomically. The main argument in the current research is that there are factors and conditions other than strategies, policies and resources that facilitate or delay the progress of some cities towards sustainability, some over which they don't have any influence. Based on the literature, these factors and conditions influencing the economic, environmental, and social performances of cities can be classified into three categories: i) strategic factors, that explain how cities actually implement SD; ii) structural factors, which define the current character of the city and which have a distant past origin and iii) geographical characteristics, which are generally acknowledged to justify the non-transferability of good practices from one territory to another. Using previous research on the measurement of urban SD, this research aims to provide empirical evidence of the structural factors that explain the observed performance of cities, including the city's industrial and socio-demographic structures and their evolution over the years. The potential effects of these factors on SD performance indexes for the 25 largest cities of the Province of Quebec will be analyzed using regression analysis. As a result, this research will enable greater accuracy in reading the performance of cities with respect to SD, by identifying the conditions that underpin urban sustainability and the factors associated with the success of the best-performing cities.

*Special Session 5: Housing and Urban Regeneration*

## **FILLING THE TANK WHEN THE AUTOMOTIVE INDUSTRY LEAVES: REGENERATION OF EMPLOYMENT LAND IN METROPOLITAN ADELAIDE**

**Charmaine Thredgold and Andrew Beer, University of Adelaide, AUSTRALIA**

### **Summary**

This paper considers the processes and outcomes of urban regeneration in metropolitan, vacant ex-industrial sites. The paper aims to unpack the regeneration process and the implications for economic rejuvenation in a

post-industrial city. We examine two recent case studies of brownfield regeneration in Adelaide, South Australia and find how government investment in new infrastructure (transport, housing, research, education, community), amongst other policy interventions, and involving community aspirations and ideas can enhance quality of life and economic prosperity.

#### Background

Population growth can increase pressure to rezone existing industrial land for housing and other purposes. Ensuring Adelaide has a supply of well-located, suitable land for employment-generation is regarded as an important land management role for Governments in order to support long-term community prosperity. Inner and middle metropolitan Local Governments are often reluctant to rezone industrial land uses in an attempt to retain industrial/manufacturing jobs. This is despite a long-term decline in manufacturing and evidence that industrial zoning delivers low employment densities (around 15-20 employees per hectare compared to approximately 95 employees per hectare employees for retail/office).The unfortunate reality for vacant industrial sites is few traditional manufacturing jobs are likely to return and elements of retail (including bulky goods) are likely to be developed on some of the rezoned industrial land. In this paper we ask - is this an optimal outcome for former strategic industrial sites?

As in other similar countries, traditional manufacturing is being replaced by cleaner and higher-technology industries, as well as distribution and services. Australian cities are making a transition to a service / knowledge economy, with an increase need for skilled professionals to drive economic growth. This economic transition impacts on the relationship between housing and employment distribution, influencing workforce and housing locational preferences towards accessible urban centres where people can be close to deep, diverse employment and economic markets. The value attached to housing which is well-located and has access to jobs and urban services has increased over time. As such, there is greater demand placed on established inner and middle areas, with good accessibility to employment, and less demand in fringe areas. In contrast, the unhampered broad-hectare residential development in outer suburban and peri-urban areas of Australian cities entrenches spatial disadvantage for those people enticed by the prospect of a large, reasonably priced house. They are often located far from employment and other urban opportunities as provided in established urban areas. The on-going argument for land release from a housing affordability perspective is increasingly seen as a misguided view of affordability.

Established industrial locations in the inner and middle ring suburbs of Adelaide are underincreasing pressure from rising land values and the gentrification of surrounding suburbs. Combined with ever more vigilant environmental performance standards, industry is being increasingly squeezed out of its traditional western suburbs heartland.

#### Approach

This paper examines two sites in suburban Adelaide in an attempt to understand the broad strategic implications of the regeneration of brownfield sites and key existing industrial areas.

Case study 1 is the former South Australian Manufacturing Park where the General Motors Holden (GMH) manufacturing plant was located. This site is approximately 9 kms north-west of the Central Business District and located on a strategic freight and public transport corridor. The GMH plant was established in the 1920s and by the 1960s had moved a new site in suburban Elizabeth. The site struggled to find new life as an industrial facility and in the mid-2000s the former industrial site was bought by a superannuation company and gradually transformed into bulky goods retail, light industry, warehousing and construction precinct. The change of land use was developer driven.

Case study 2, Tonsley Park, was purchased by the SA Government for A\$32.5 million in 2009 from Mitsubishi Motors Ltd after the manufacturer closed its South Australian operations in 2008. In 2012 a Government Master Plan for the site was released, stating that "Tonsley Park will be retained as a pillar of the State's manufacturing industry—more than half a century since Chrysler Australia opened there in 1956." (South Australian Premier, JayWeatherill). The Master Plan for Tonsley Park set out the creation of 6300 jobs over 20 years; bringing together industry and education; a Smart Grid; refurbished main assembly plant to create a new town centre with specialty retail outlets; 1500 new residents by 2031 within a lively, safe community linked to the Tonsley rail line; water sensitive urban design techniques; and green open spaces, cycling and walking paths.

## Findings

The research identifies key policy areas to which successful knowledge cities pay high attention as they integrate the knowledge economy into their urban fabric. The research concludes a more strategic and integrated process is needed to prevent the ad hoc conversion of industrial land to lower order uses in order to enhance social and economic wellbeing of areas experiencing industrial decline.

## *Innovation and Knowledge Economies*

### **RECONSIDERING THE DRIVERS OF TERRITORIAL INNOVATION: NEW EVIDENCE ON THE SPATIAL KNOWLEDGE PRODUCTION FUNCTION IN THE EU REGIONS**

**Francesco Timpano, Alessia Dragoni and Giovanni Guastella, Catholic University of the Sacred Heart, ITALY**

Investments in Research and Development (R&D) are commonly acknowledged at the origin of innovation in firms and in territories as well. On the one hand, R&D is the main input in the production of new technologies and hence the larger the amount of resources invested the higher the likelihood to innovate. On the other hand research investments are characterized by considerable positive externalities, causing increasing returns. Evidence has shown that these externalities (knowledge spillovers) are subject, however, to threshold effects and distance decay effects, making more convenient for firms to co-localize and cluster in a territory, possibly in the neighborhood of research universities. At the empirical level the contribution of R&D to innovation, as measured by patents, is estimated larger when territorial data is considered for the analysis than when data for individual firms are used. It is also argued that this evidence is in close relation with the knowledge spillovers. Nonetheless, this claim has been softened with time by empirical studies in which the coefficient related to the contribution of R&D has been estimated lower in magnitude after controlling for unobserved regional heterogeneity in innovation. Panel data methods applied to the standard knowledge production function can effectively help disentangling the real contribution of R&D to innovation while best accounting for regional heterogeneity. Because comparable longitudinal data for all EU regions are not available, the research topic has been investigated by using panel data to a limited extent only. This study benefits of data available after the publication of the Regional Innovation Scoreboard in 2012 by the EU Commission (DG Enterprise). The dataset is made of 198 EU regions representing 24 countries in Europe, of which 22 belong to EU, and includes information at the regional level not only in relation to the standard indicators used in the estimation of the knowledge production function (patents and R&D) but also to indicators derived from national Community Innovation Surveys. Building on this new dataset, two research hypotheses are formulated. Based on the first hypothesis, the estimated contribution of R&D to innovation decreases when panel data methods are used. Based on the second hypothesis, the estimated contribution of R&D to innovation decreases when alternative measures of innovative outputs are used. To test the above hypotheses a three-stage procedure is used. In the first stage the contribution of R&D is estimated with cross-sections of regions for all the available years in the dataset. This step is necessary not only to compare cross-section with panel data estimates but also to test to what extent these data (used for estimation by the first time in this work) can effectively be used in empirical estimation. Results from cross-section analysis are similar to those produced by previous empirical evidence, in fact. In the second stage a panel data model is estimated using patents as the dependent variable. In the third and final step a same panel data model is estimated using the percentage of innovative sales by firms in the region as indicator of innovative output. Both hypotheses find large confirmation in empirical evidence, suggesting that much of the emphasis on R&D and knowledge spillovers is in fact misplaced. By and large evidence suggest a much complex process running from input to output of innovation and offer interesting insights for reflection about the new directions of regional innovation policy in the EU.

## **THE CLUSTERING POTENTIAL IN TRANSYLVANIA BASED ON THE CONCENTRATION OF ECONOMIC ACTIVITIES AND REGIONAL SPECIALIZATION**

**Gergely Torok, Babes-Bolyai University, ROMANIA**

In our days clusters and cluster policies have begun to play an increasingly important role in the economic and political environment alike, being mentioned more and more often in relation to new development policies as an easy solution for the complex problems of the economy. For pointing out the “raison d'être” of these approaches, within the present research we have analyzed the specialization and the spatial concentration of economic activities based on a very straight-forward approach for pointing out the intensifying activities of the economy both from a territorial as well as from a sectoral point of view.

A series of studies in the field have approached the subject of industrial specialization and the spatial concentration of industries, considering the two phenomena as strongly interrelated, regional specialization representing the territorial perspective, describing the distribution of economic activities in delimited area within the analyzed territory, whereas the geographic concentration of an economic activity represents the share of the sector within the regional economy. According to some authors, these aspects are of key importance in the case of industrial policies as well, areas with a high degree of specialization being much more vulnerable in the event of economic shocks hitting the dominant sectors. At the same time, regional specialization is related to the fact that the respective area has got advantages in the production of different goods or services and makes better use - in comparison with other regions - of the production capacities in the respective sector. This spatial concentration of an economic activity furthermore implies that the production of certain goods is distributed unequally compared to other factors, such as the number of the population.

In the present paper we will present an analysis on concentration and specialization, attempting to offer an overview on the role they have on the clustering process by making use of a hybrid method of analysis obtained from the combination of two approaches, one measuring specialization and concentration for the 9 main sectors of the economy in Romania at regional level, and the other one analyzing the specialization and concentration of the economic sectors in Bavaria, in the first phase for all branches of the regional economy, the 9 main industries and finally for the industries related to the 9 regional clusters existing in the area.

The topic is all the more important since much of the financial support and state aid within the European Union going into the economy in the last years has been channeled in the form of financial grants given to specific structures like clusters or competitiveness poles and the tendency does not look like it is about to change. That is why in the present paper we would like to analyze the specialization of the counties in Transylvania and the concentration of the certain industries and try to find a correlation with the clusters which have emerged in the past years.

## **CENTRALISATION AND PERIPHERALIZATION: THE FUTURE OF PERIPHERAL REGIONS IN ROMANIA**

**Ibolya Torok, Babes-Bolyai University, ROMANIA**

Over the past twenty years, in most European countries, cities and regions have become the main focus of the renewed efforts for promoting development, having an important role both in academic discussions as well as in the practice of spatial planning and development. The important position of metropolitan regions has been further emphasized by the process of Europeanization (continuous economic integration within the EU) and globalisation (increasing world-wide interchanges) which have led to a significant increase of spatial disparities (including polarisation processes between the West and the East, a low level of economic growth, quite visible in CEE countries). Furthermore due to migration and new means of communication, centralization and peripheralization processes have started overlapping each-other; growth, stagnation, shrinkage appearing simultaneously on different levels, affecting both the urban as well as the rural areas. 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. While in the western countries metropolitan regions have been part of a powerful strategic vision for spatial development within the efforts to increase Europe's competitiveness, in many eastern countries supporting metropolitan regions has further contributed to an increasing socio-spatial polarization.

The aim of the paper is to present the process of peripheralization in Romania, highlighting the existing territorial disparities between regions and the future of rural and peripheral regions.

Urbanisation and Cities

## **THE EVOLUTION OF NATIONAL URBAN POLICIES**

**Ivan Turok, Human Sciences Research Council, South Africa**

The spatial concentration and growth of the global population during the 21<sup>st</sup> century presents nation states with important opportunities as well as formidable challenges. Large scale urbanisation has the potential to generate substantial benefits for economic growth and human development. However, burgeoning cities also expose countries to heightened risks of social discontent and environmental disruption. Either way, there is little doubt that the form and character of urban growth over the next few decades will have a major bearing on the well-being and life chances of several billion people. It will also influence global migration pressures and international stability, and affect the resilience of the world's ecosystems in the context of climate change and increasing resource scarcity.

The objective of this paper is to review the efforts of national governments around the world to plan and manage urbanisation in a way that is more sustainable, productive and inclusive than in the past. A new generation of national urban policies (NUPs) is emerging that is more aware of gravity of the issues at stake, more ambitious in scope, and more integrated in approach than earlier urban policies. A variety of international development organisations have become active in supporting lower-income countries experiencing rapid urbanisation to formulate their own NUPs. There are essentially two tasks involved: mobilising the political and institutional support for a sustained effort to shape the trajectory of urban growth, and building the technical capabilities and financial instruments to implement this commitment effectively.

Urban policy is defined here as the explicit vision and deliberate actions by national governments to realise the progressive possibilities, and tackle the problems, presented by the rural-urban demographic transition. It is what governments seek to do within their towns, cities and metropolitan regions to make them function better – economically, socially and ecologically – and to help them accommodate future population growth more efficiently and equitably. The sensitivities surrounding spatially differentiated policies of this kind mean that government actions are sometimes implicit or have a low profile. These covert actions can be just as important and, where possible, we seek to reflect on them too.

Urban policy has a long and chequered history in some countries, including periods of negativity, control and coercion when the intention was to disperse population and activity away from the main cities, or to clear communities from older residential districts ('slum eradication') in order to make way for comprehensive redevelopment. It is vital to understand the distinctive history and complex evolution of territorial policies in each country. One cannot assume that they have much in common simply because they are called the same thing. Similarly, any attempt to introduce a NUP needs to be responsive to the national context and sensitive to the political appetite for such a policy.

The paper includes a conceptual framework for analysing NUPs. It is based on selected interviews and a review of existing literature and 'grey' material on NUPs in 20 countries around the world, chosen on the basis that their experience is of wider relevance in some respect. Most are in Asia, Africa and Latin America. Some countries have particularly bold or innovative NUPs, or have overcome particular hurdles to introduce a NUP. Different sources of evidence were validated by cross-checking where possible.

*Special Session 8: Functioning of the Customs Union between Turkey and the EU*

**A GLANCE AT THE TECHNOLOGY CONTENT OF TURKEY'S EXPORT COMPOSITION: IS IT POSSIBLE TO PRESERVE AN INCREASING EXPORT TREND?**

**Kenan Tümer and Yaprak Gülcan, Dokuz Eylül University, Faculty of Business, TURKEY**

This study examines the structure of Turkey's export composition in terms of the density of technology in the exported goods, in order to assess if the country is on the right track as it needs to reach its goals of 2023 with an export score of 500 billion \$. Holding in hand findings of Daniel Gros and Can Selçuki, Jan 2013, in their working paper called "The changing structure of Turkey's trade and Industrial competitiveness: Implications for the EU" at Centre for European Policy Studies (CEPS), we similarly find that the country's export composition is biased towards goods that have low and medium technology content. Descriptive analysis through the period of 1996-2013 shows a slight movement from low-tech goods to medium-tech goods; although this movement should fail to impress as high-tech exports prove to appear sturdier against global shocks, leaving in mind that the country has to focus on developing an export structure which is richer in these goods in order to live up to its promises of 2023, without getting harmed by an external turmoil.

*Territorial Governance and Regional Leadership*

**DISTINCTIVE AND INNOVATIVE REGIONS: URBAN RESILIENT COMMUNITIES AND REGIONAL POLICIES. THE SARDINIA CASE STUDY**

**Alessia Usai, Anna Maria Colavitti and Matteo Trincas, University of Cagliari, ITALY**

The contemporary research for alternative and sustainable models of development is based on collaborating networks of urban polarities aiming to create an added value for the global territorial system. In these models, the economic, environmental and social issues are framed following territory identity and according to local resources, above all cultural heritage and landscape. In particular, the recovery of some community practices and their application in land use planning allows the creation of cooperative distinctive networks which are able to develop knowledge-based tools aimed to respond in a "creatively" way to a pre-assembled urbanism model.

In this discourse, it is possible to fit the strategies inspired by endogenous growth that some urban and rural communities have fielded rediscovering and reinterpreting the rules of the historical landscape construction, the customs and practices related to it, central in the contemporary debate on common goods and civic uses.

Some regions aspire to develop innovative tools starting from these practices with the purpose to stand out globally as places of excellence. One of the privileged asset is the redesign of economic policies together with the regional image to create induced economies in tourism and attract investment, planning landscape and territory with the inhabitants. The traditional instruments of regional planning must therefore be questioned. They have been revisited according to multidimensional and cooperative approaches in the attempt to involve the final stakeholders of plans and projects, spacing from the regional scale to a neighborhood level, from urban planning to the cultural policies. New perspectives are opened today by the spread of the landscape approach which inextricably links territorial planning and cultural heritage enhancement to needs and aspirations of local communities.

The study try to shed light on the contributions given by cultural heritage-based development models in the construction of resilient, competitive and “distinctive” regions according to territorial vocations, making local communities less vulnerable to economic and environmental impacts of global competition. Through a critical analysis of the literature and the Sardinia Region experience we attempt to provide some guidelines for the draft of regional planning tools inspired to landscape approach and the related community engagement.

*Special Session 9: Regionalism in International Law and Relations*

## **PAN-AFRICAN LEGAL INSTITUTIONAL DEVELOPMENTS AS EVIDENCE OF AN EMERGENT LEGALLY DRIVEN PAN-AFRICAN GROSSRAUM?**

**Allwell Uwazuruike, Lancashire Law School, University of Central Lancashire, UK**

What is the future of human rights protection through criminal and other forms of law enforcement across Africa, and how does this tie in with questions of African self-reliance and regional resilience? The development of human rights in Africa has been difficult and challenging. One such challenge is the perceived imposition of Western standards and ideology of rights on the region. This has often taken place without regard to African cultures and beliefs, as well as insufficient respect for countries’ preparedness and capacity to incorporate these standards. What is the case for and against different types of an independently developed and regionally-administered Pan-African justice system responsible for such human rights interpretations and protection? This paper will outline and then address the arguments for and against different possible models for region-wide legal recognition and enforcement of rights within a Pan-African context. This focus is important given the widely recognized shortcomings in the existing protections. For instance, the reliance upon purely domestic proceedings for enforcement, (a situation that could be compromised by incompetence, political instability and government interference). There is also the question of the perceived lack of credibility (stemming from, for example, claimed bias) of many supposedly “international” level bodies, including the International Criminal Court (ICC). This paper makes a contribution to existing wider debates over the future of regionalism with particular reference to Pan-African regional arrangements for human rights protection.

These aims will be discussed in terms of a proposed programme involving a combination of critical historical, doctrinal and comparative analyses of different institutional forms of human rights enforcement, culminating in the creation of a range of institutional reform proposals. These proposals will be subjected to self-critical analysis concerning their meaning, scope and viability in both principle and in practice, which includes identifying favourable and unfavourable preconditions for their successful implementation. The proposals align with calls for a “multicultural” approach to reform the human rights regime. As part of this process, there is need to create a viable institutional human rights regime across Africa that is self-reliant and specially positioned to handle the peculiar situation of human rights in the region. This regime may choose to prioritise economic and social rights as a means of addressing the underlying causes of several regional conflicts on the continent.

As part of this regional development, an African Criminal Court could also be created to oversee cases of more serious violations. This apart from capacitating the region would avoid the allegations of Western imperialism and bias (fuelled by no less than the AU itself) associated with the trial of African leaders at the ICC. The paper will conclude with some issues concerning whether a Grossraum model of regionalism can be helpful in developing the specifically legal side of regional integration?

**REGIONAL ECONOMIC RESILIENCE IN IRELAND: THE ROLES OF INDUSTRIAL STRUCTURE AND FOREIGN INWARD INVESTMENT**

**Chris Van Egeraat and Proinnsias Breathnach, NUI Maynooth, IRELAND**  
**Declan Curran, DCU Business School, IRELAND**

This paper examines the resilience of Irish regions during the course of the current economic crisis, focussing specifically on employment in firms in receipt of assistance from the Irish enterprise development agencies. The paper proposes and employs a range of statistical indices, including the Ray-Srinath shift-share model, to identify the role of industrial structure, true regional factors and nationality mix, in regional employment performance. The analysis shows that nationality mix has an important impact on regional growth performance. This impact is, however, not clearcut. The foreign sector can have a positive as well as a negative effect on regional employment.

**INSTITUTES OF HIGHER EDUCATION IN AN ENVIRONMENT OF INSTITUTIONAL FRAGMENTATION: THE CASE OF THE BRUSSELS-CAPITAL REGION**

**Bas Van Heur and Wouter Kesbeke, Cosmopolis Centre for Urban Research, Vrije Universiteit Brussel, BELGIUM**

This presentation reports from an ongoing research project on the role of institutes of higher education (IHO) within the Brussels-Capital Region (BCR). The project is funded by the three main universities in the BCR (Université Libre de Bruxelles, Vrije Universiteit Brussel and Université Saint-Louis Bruxelles) with the aim to identify and understand the contribution of IHO to the regional development of the BCR. Regional development in this context refers not only to economic development, but also and at least as important to the social development of the region with IHO playing a role in addressing and solving urban problems and societal challenges. In this presentation, we focus on the ways in which the institutional fragmentation of the BCR shapes the dynamics and direction of higher education in this region.

First, we discuss in some detail the institutional specificities of the BCR as a region within Belgium that is characterised by a rather complex and multi-layered government structure as this substantially shapes higher education and research policies and strategies. The BCR is in effect governed by various government entities, this being: the level of the 19 municipalities comprising the BCR; the BCR level; the federal level; and the Flemish and French Communities. Higher education and research policy is mostly a Community concern with the IHO within the BCR thus being governed by one of the two Communities; in addition, there is also funding from the BCR for applied research. This situation is further complexified by the institutionalized bilingualism of Brussels in which the official language of the IHO is either French or Dutch and in which the use of these languages is politicized. This tends to create relatively separate knowledge communities with only partial interactions. All this takes place within a wider context of Europeanisation and globalisation and the increasing use of English as the academic lingua franca. We reflect on some of the theoretical and practical consequences of this institutional fragmentation as it complicates the common argument that regional innovation benefits from a coherent governance and innovation system (as theorised in the triple helix and regional innovation systems literatures).

Second, we present some of the key empirical results of the research project in order to illustrate the impact of institutional fragmentation on IHO in the BCR. In the research project four domains were investigated: a) regional economic impact and development; b) social valorisation and public engagement; c) the built environment of IHO; and d) globalising and Europeanising IHO. Within each domain, one can observe particular effects of institutional fragmentation that we will highlight in the presentation. As part of this discussion, we zoom in on the similarities and differences between the various IHO in the BCR, the ways in which IHO are linked to various types of non-academic actors (government, business, civil society

organisations) and the consequences this has for the regional development of the BCR and the capacity of IHO to address and tackle urban challenges.

And third, we reflect on the main methodological challenges underlying this research project that relies on both quantitative and qualitative data analysis. The project was confronted by substantial methodological difficulties due to the different ways and traditions of measuring (or not measuring) and categorising data on IHO – in relation to student and employee data as well as research output – between the Flemish and French Communities. The fragmented governance structure is thus reflected also in the process of data collection and analysis and this in turn raises difficult questions about how to identify and measure the contribution of IHO to the knowledge-based development of regions characterised by institutional fragmentation.

#### *Labour Markets and Migration*

### **CREATING A RESILIENT LABOR MARKET: INTERNATIONAL TALENT RECRUITMENT TO NORWAY'S OIL AND GAS INDUSTRY**

**Micheline van Riemsdijk, University of Tennessee, USA**

The recent global financial crisis contributed to extensive layoffs and hiring freezes, and exacerbated regional disparities within Europe. The outcomes of the recent economic downturn were place-specific and uneven, and Norway weathered the financial crisis better than other European states. A sustained demand for Norway's petroleum-related products and services contributed to a need for engineers and other highly skilled workers in the oil and gas industry. Norway's need for engineers was exacerbated by retiring baby boomers and a shortage of graduates in petroleum-related fields.

This presentation investigates the geography of international talent recruitment in the Norwegian oil and gas industry, studying the hiring strategies of human resources managers and the location decisions of foreign-born engineers under the global financial crisis. The presentation draws on literatures on global and national engineering shortages, international skilled migration, and global talent management to investigate how Norway-based companies attract the skilled labor that they need. I argue for the inclusion of a micro-level perspective in labor market studies to better understand how individuals make hiring and location decisions. These individuals provide the human capital that is needed to compete in today's global knowledge economy, and these personal perspectives are lost in aggregate data on local and regional labor markets.

This presentation focuses on Norway because it attracted a large proportion of foreign-born workers during the financial crisis. In fact, Norway experienced its highest immigration rate ever in 2011. Norway is an attractive destination for foreign-born engineers because it is a world leader in subsea technology and other petroleum-related technologies. Despite this attraction, Norway-based companies struggle to fill vacant positions.

The empirical data for this study were collected during fieldwork research in Oslo, Kongsberg, and Stavanger in Summer 2011, 2012, and 2013. Semi-structured interviews were conducted with human resource (HR) managers, foreign-born engineers, and representatives for recruitment agencies to study talent needs and recruitment practices under the global financial crisis. I also conducted an online survey among foreign-born engineers to investigate their employment and location decisions. The interview and survey data were supplemented with media reports on the global financial crisis and engineering shortages, and statistical reports on international labor migration. The triangulation of data provided a deeper understanding of skilled migration under the global financial crisis and the geography of international talent recruitment.

The findings indicate that Norway-based companies benefited from the global financial crisis in two ways. First, some production companies used the economic slowdown to work on a backlog of orders, and to streamline their production processes. However, these cost-cutting measures increased the workload of some employees and negatively affected morale. Second, Norway-based companies could attract engineers from struggling economies. Engineers from, for example, Portugal and Spain may not have considered an international move if they had had more job security at home.

The study also found a salient difference in hiring strategies between producer and supplier companies. These companies adapt their hiring strategies to the markets from which they recruit. Producer companies are the most attractive employers, because they provide interesting professional challenges and opportunities to work at the forefront of new technologies. Supplier companies are typically smaller and lesser-known, and they have to work harder to attract the talent that they need. These companies often hire recent graduates with little work experience, and engineers who work in other fields. Supplier companies usually provide on-the-job training to teach new employees the required skills. The hierarchy between producer and supplier companies shapes the recruitment strategies of HR managers and the employment decisions of foreign-born engineers.

The global talent management literature emphasizes the importance of short-term and long-term talent planning to ensure that companies have the labor force that they need. Skilled labor is needed to build strong and resilient regions and communities, and foreign-born workers actively contribute to technological developments and innovation in these locales. Migration scholars have noted an increased diversity in migration movements, including short-term, circular, and onward migration. It is too early to tell if these foreign-born engineers are likely to stay in Norway. We therefore need longitudinal studies to determine the long-term effects of the financial crisis on talent recruitment to the oil and gas industry in Norway.

#### *Role of Institutions in Regional Development*

### **A SOCIOLOGICAL REVIEW OF CHALLENGES FOR FOOD SYSTEMS IN PERI-URBAN AREAS, THE CASE OF FLANDERS.**

**Kirsten Vanderplanken, Institute for Agricultural and Fisheries Research, BELGIUM**

**Ilse Loots, University Antwerp, BELGIUM**

**Elke Rogge, ILVO, BELGIUM**

Food is necessarily a combination of the natural and the social (1): humans require food for both biological (e.g. nutrients) and social (e.g. sociability, labour) reasons, and the way in which we appreciate food is determined by its natural and social value to us. This causes food to have a very broad impact on our lives, both in an individual as in a societal context. And vice-versa, this also means that behaviour and thinking related to food are personal and culturally determined. The intertwining of the natural and the social in food, can also explain the complexity of the numerous problems related to food that societies are facing today. In peri-urban areas these issues are further complicated since urban sprawl pressures agriculture in terms of space (physically, in policy and socio-culturally) and demand (amount and diversity). Governments, private actors, civil society and researchers are increasingly thinking about novel ways to organise food systems in such a way that they have a more desirable impact on our lives, on our societies and on our environments. However, they often focus on the economic or ecological aspects of the issue and leave the consumer out of the picture. With this paper we hope to fill this gap, by studying the sociological aspects of regional food networks while including all actors from input to end-consumption.

The main objective of this paper is to review from a sociological perspective the challenges and problems food systems in peri-urban areas are facing today. Two themes will be addressed. The first theme is problem framing, with a principal focus on differences in framing between actors and the sociological causes explaining these differences. Second, current network dynamics and structures will be reviewed in a general way. The goal here is to identify problematic and favourable social relations, and to analyse what is needed to induce a change towards more sustainable relations. The method that will be used here is a case study approach. More specifically, the research will focus on the case of Flanders. Qualitative semi-structured interviews are conducted with key-actors in the Flemish food system. In order to obtain a full understanding, key-actors can be active in different links of the food chain (e.g. farmer, food industry), or can be representatives of organisations or institutions that are involved with food (e.g. government, NGO's).

Preliminary results show that the distinction between conventional and alternative agriculture is central in explaining differences in both problem framing and network characteristics. Proposed solutions, however, seem to be indicating a shared perspective on the future.

## **DEVELOPING THE LOGISTICS SECTOR IN SUBREGIONS: A POLICY MAKERS FAVORITE?**

**Ties Vanthillo, Thomas Vanoutrive and Ann Verhetsel, University of Antwerp, BELGIUM**

Following the recent financial crisis of 2008, industrial policy appears to be back in several European countries. In the current debate on this new generation of industrial policies the concept of 'smart specialisation' has gained significant political and analytical importance at the regional level. We argue in this paper that also the subregional level is of significant importance in the development of 'smart specialisation'-based policies. The focus lies on Flanders, a region in Belgium with full competences in research, innovation and economic policy.

This paper investigates strategic policy documents and existing initiatives of subregional actors in Flanders (Belgium) concerning the development of a policy based on sector priorities. More specifically, we focus in this paper on the logistics sector. We first give an overview of the stated priorities of subregional actors in Flanders. This overview gives an indication of the 'rhetoric' around the state of 'smart specialisation'-based policies at subregional level. We found that 12 out of 14 subregions in Flanders chose logistics, transport and/or distribution as a priority in their economic policy and all of the five Flemish provinces developed a specific set of policies targeted towards the logistic sector. Even when policy statements highlight new objectives based on the paradigm of smart specialisation, this rhetoric is not always matched with the 'right' policy instruments. Furthermore, due to the lack of capacity-building and resources, subregional actors are not able to engage in many specific sector-based initiatives. We found some evidence state that there are 'place-based' changes ongoing in subregional sector-based interventions in Flanders, especially in the logistics sector.

### *Developing Rural and Peripheral Regions*

## **INTERSECTING (CONFLICTING) INTERESTS AND VALUES ON A REGIONAL ARENA: THE COLLABORATIVE DEVELOPMENT MODEL OF REGIONAL PARKS IN NORWAY**

**Mikaela Vasstrøm, Agder Research, NORWAY**

The regional management role in the intersection of nature and society is increasingly considered necessary to create sustainable development and balance conflicts between protection and use of cultural and natural values. Regional parks can be understood as a (regional) organizational measure to respond to the challenge of sustainable development while preventing natural resource management conflicts with national authorities. In contrast to national parks they have a strong focus on regional and local mobilization and involvement as a basis for defining and implementing development agendas. The idea of Regional Parks can be understood as an organizational effort to mobilize and engage regional stakeholders and citizens in new collaborative models that create and operationalize long-term strategic plans with regard to: I) Sustainable local development (with emphasis on natural and cultural values), II ) Economic value of culture and nature-based industries , III ) Local democratic engagement, learning and identity building. A regional park model thus – in theory - connects democratic challenges of local involvement and participation, with local development dynamics and social learning processes.

The Regional Park concept has been over the last four decades been established in several countries in Europe and during the last 10 years been introduced and established in Norway. Despite this trend there is very little research that empirically examines how these parks handles different values and interests and facilitate participation across levels of government and sectors. This paper questions how the establishment of regional parks has contributed to establish broad collaboration arenas that mobilizes and involves various public and private actors in regional development, and what hindering and supportive forces that has influenced this establishment. The paper is based on case studies of three regional parks in Norway. The qualitative research approach consisted of document research of regional and municipal plans and focus group interviews with regional park employees, regional and municipal administration and politicians and relevant stakeholders with economic or social interests in environment and culture. Through this framework the paper attempts to contribute with findings about how natural and cultural values in societal development are addressed from a

regional planning and steering arena – and how the development of such collaborative model contributes to regional development in a broad sense.

*Community Economic Development*

## **COMMUNITY-DRIVEN DEVELOPMENT VERSUS COMMUNITY-LED LOCAL DEVELOPMENT**

**Jean-Pierre Vercruysse and Elisa Roller, DG MARE, European Commission, BELGIUM**

**Dan Owen, World Bank, USA**

The World Bank recognizes that Community-Driven Development (CDD) approaches and actions are important elements of an effective poverty reduction and sustainable development strategy. Over the last decade, the Bank has increasingly focused on lending to CDD programs in order to reach local communities directly. The Bank has used the CDD approach across a range of countries to support a variety of urgent needs, including social and economic infrastructure such as water supply and sewer rehabilitation, school and health post construction, rural road rehabilitation and small scale irrigation, basic services such as nutrition programs for mothers and infants, and support for micro-enterprise and livelihoods. Over the last 10 years, CDD has represented 5-10% of the overall WB lending portfolio, supporting around 400 CDD programmes in 94 countries, valued at almost \$30 billion.

The EU has supported a similar approach since 1992 with four generations of Leader programmes targeting the development of communities in rural areas. This was extended in 2007 to support fisheries-dependent communities. There are today over 2.600 local action groups in 28 EU countries, with a total budget of around Euros 8.6 billion.

The 2014-2020 generation of European Structural and Investment Funds foresees the possibility to apply a community-led local development (CLLD) approach to the delivery of funding from the Rural Development Fund, the Maritime and Fisheries Fund, but also for the first time from the Regional and Social Funds. This approach can now be applied also in deprived urban neighbourhoods or to support specific social groups such as people of Roma origin.

This paper analyses specific themes that are relevant for these two approaches. It highlights commonalities and differences between the two policies (from the EU and the World Bank) and reflects on the impact of their design on the effectiveness and performance of both policy approaches. The paper identifies key lessons from both approaches, highlights the potential scope for peer learning between the two institutions and the need for further research.

The paper will highlight the difficulties of the local development approach in particular against a background of sometimes inefficient and over centralised administrative structures, and elite and political capture. The paper will conclude with some of the challenges facing both local development approaches and how both the World Bank and the EU propose to address these.

*Special Session 3: Critical Studies of Urban and Regional Development*

## **THE ROLE OF 'SPATIAL VISIONS' IN URBAN DEVELOPMENT PROJECTS. A CASE OF POST-INDUSTRIAL RECONVERSION IN THE BRUSSELS' CANAL ZONE.**

**Sofie Vermeulen, Vrije Universiteit Brussel, Cosmopolis, Centre for Urban Research, BELGIUM**

Visions are omnipresent in most organisational cultures and political programmes. The same is true for domains such as spatial planning and urbanism. Visions in business and politics generally materialize as corporate identity strategies, business plans, political programs, policy agreements or manifestos. In spatial planning and urbanism visions often have an outspoken spatial component and therefore take the form of cartographic representations, sketches, design proposals, master plans, collages, renderings and so on.



Especially in urban development projects, planners and designers generally consider ‘spatial visions’ as essential elements of the global project design. In practice however, it often occurs that policy makers and urban planners/designers propose diverging visions on future reconversion, reflecting their proper interests. This gap tends to decrease the realization potential and the final socio-spatial quality of an urban project. Current research on visions and visioning often focuses on (1) the management of the planning process, (2) the (lack) of participation by various actors such as inhabitants, public authorities, private companies or organisations in civil society, or (3) the impact on the initial project goals. Few studies engage into the question what exactly ‘spatial visions’ are about, which role they play in urban development projects and in which way they contribute to the eventual quality and legitimation of the urban project. These aspects are emphasized in our study of the specific case of the Brussels’ Canal Zone. The analysis is based on data obtained through a combination of literature research and a series of expert interviews. Informed by urban regime theory and discourse analysis, the case discusses the content, the form and the role of spatial visions in urban development projects and by identifying the actors, the discourses and development coalitions the visions generate. The results show that two conditions are required for the successful realization of an urban project and a widely supported appropriation by the end users after realization. The first condition prescribes the collaborative formulation of the problem at stake. The second condition demands for a shared construction of an image for the future development of the problem defined, a project-story which is shared.

*Innovation and Knowledge Economies*

# **DON'T THROW THE BABY OUT WITH THE BATH : NETWORK FAILURES AND POLICY CHALLENGES FOR CLUSTER LONG RUN DYNAMICS**

**Jerome Vicente, University of Toulouse, FRANCE**

After an abundant literature on the crucial role of cluster development for innovation and growth in knowledge-based economies, cluster policies have been recently and increasingly called into question in the aftermath of several empirical evidences that challenge the relevance of these policies (McDonald et al., 2006; Duranton, 2011; Martin et al., 2011; Martin et al. 2013), or at least raise serious doubts regarding their actual contribution to regional growth (Falck et al., 2010). This paper aims to understand the reasons of such a gap between this twenty years literature that have placed clusters at the core of regional and innovation studies and the failure of policies aiming at promoting them. In doing that, it also shows that between the reoccurrence of laissez-faire and the cookie cutter dimensions of policy rationales (Wolfe and Gertler, 2004), a large window of policy designs still remains if the critical parameters of clusters emergence and their long run dynamics are clearly defined.

As a matter of fact, clusters have been introduced in the literature on the basis of insufficient analytical and theoretical foundations. On the one hand, there is no clear identification of the market failures at play in regions that justify targeted policy mediations towards incentives for local R&D collaborations and networks development. Following these market failures arguments, there is no evidence that can explain the relevance of clusters policies over more traditional direct subsidies and incentives for R&D at the firm level or provision of indivisible facilities. On the other hand, there are some superficial inductive beliefs born from the Californian dream or the Porter’ diamond that allows scholars and policy makers thinking that network density between co-located organizations remains the key feature – the panacea – of successful regions (Martin and Sunley, 2003). In that case, policies aiming at increasing R&D collaboration and knowledge circulation in regions appear as a new rationale for regional policy, based on a “networks failure” framework, but without sufficient analytical foundations on the welfare superiority of the networks-based incentives over the market ones. Moreover, whatever the supporters of failure to repair, policies are always suspected to be under efficient, due to crowding-out effects that arise when public funds substitute private R&D expenditures at the firm level (Nishimura and Okamuro, 2011).

Our aim is to show that, in spite of this growing skepticism, new opportunities for cluster policy implementations based on network failures exist. They require moving their focus from the “connecting people” one best way that gets through the whole of cluster policy guidelines (McCann and Ortega-Argilés, 2013), to more surgical and targeted incentives for R&D collaborations, conditional to a set of particular

network failures that can arise along the life cycle of clusters (Suire and Vicente, 2009, 2014; Menzel and Fornahl, 2010; Crespo, 2011). On the one hand, by translating evolutionary principles of long run dynamics of clusters into new policy rationales, one can expect drawing some critical structural properties of clusters that favor short term efficiency without compromising structural change and resilience capabilities (Crespo et al, .2013; Boschma, 2014), and turning these properties into targeted policy interventions on particular missing links. On the other hand, by limiting public-funded incentives to these particular missing links rather than a general watering of subsidies for collaboration, one can expect from these targeted incentives a better policy return and thus legitimacy.

But to do that, one has to go beyond the figure of network as a simple catalyst of innovation in regions, and then go beyond the unsuitable argument according to which network failures in clusters should be associated to a weakness of relational density into networks. The links between networks and aggregate as well as individual innovative achievements are more complex and require a more detailed and micro-founded analysis on the formation and the dynamics of collaborative ties (Balland, 2013). According to the topology of networks and their ecology of organizations, the web of knowledge flows can have highly dissimilar consequences on their ability to produce and diffuse innovations on markets, from a great capability to constantly turn burgeoning ideas into mass market standards to an excess of technological conformism and declining trajectories. Literature has recently started to identify the peculiar network failures that provoke cluster decline (Cho and Hassink, 2009; Suire and Vicente, 2009, 2014; Menzel and Fornahl, 2010), but without at this stage a sufficient counterpart in terms of policy challenges. Fill this gap is precisely the aim of the paper. The basic assumption is that cluster policies renewal has to rely on a clear identification of the complex and evolving structural properties of networks that favor clusters long run viability and structural change capabilities.

#### *Spatial Planning and Infrastructure*

### **RESILIENT TERRITORY: A NEW CONCEPT OF IDEAL SPACE IN PLANNING? A HYPOTHESIS OF RESILIENT TERRITORY AS A CONCRETE GOAL FOR SPATIAL DEVELOPMENT**

**Hongyang Wang, Nanjing University, CHINA**

Resilient space (city, region) has emerged as a new celebrity in the now not-short list of concepts which might be broadly categorized as “sustainable development family”. Like its alliances such as sustainable development, climate change, emission mitigation and green economy, this concept seems to be significantly shaping and deepening our understanding of development goal and path. However, there is a risk that it becomes another new language: it does tell something, but something perfectly right and incredibly general with wonderful heuristic power; so in the end it tells everything and becomes nothing! The reason for this may be that these concepts do not really touch the hard core (tough and specific contradictions and structures) of things, let alone to suggest substantial solutions which has to be able to accommodate those deep structures. Such concepts do make contribution, but mainly of language/discourse rather than of substance, and of reminding or emphasizing important but common sense points when the mainstream understanding is biased or some issue becomes much urgent rather than of truly original innovation and state-of-the-art.

This paper tries to explore the potential for the concept of resilient territory (RT) to avoid such a fate as an emperor’s new clothes. With a good substantialization, RT could become a significant advance in planning theory, where development has been actually embarrassing since the classical theory of comprehensive planning or rational planning seriously attacked. Orthodoxy comprehensive thought around physical space was criticized as blue-print rather than process-oriented, elite-Utopian and physical space dominated rather than socioeconomically and environmentally caring, statutorily ineligible and beyond human intelligence. Since then theoretical work on the substantial theory of planning (STP) seems weak comparing to the procedural theory of planning (PTP) such as communicative and collaborative planning. This has led to the questioning “does planning still need plan”. However, in reality planning practice continues and basically it still works around the traditional physical spatial blue-print oriented planning. There is new development in STP, but certainly affected by the gap between planning theory and practice (mainly because of the division of STP and PTP). New progress in STP seems to stick to the criticized paradigm of blue-print Utopian ideal space thought,

ignoring the progress in PTP. For the procedural theorists of planning, of course, comprehensive blue-print thought is long outdated and abandoned. Their belief is that ideal space is very much an autonomous result of social discussion and development.

However, reality and logic proves both of the two streams destroy the innate comprehensiveness of planning and space. A concrete goal is an unescapable question for any thinking of action and future. It is also vital to ask how such a goal is proper, how to get it and how to reach it. Therefore the substantial and procedural theory of planning should be integrated. Hypothetically, a new concept of RT could undertake such an integrative role:

1. Resilient could become a new goal for spatial development which is able to integrate the comprehensive desired concerns of planning. It is firstly an abstract objective, referring to the ability when against broad sense (not just environmental and ecological such as climate change and water issue, but also economic, societal, cultural, moral, development mechanism and building and spatial) of disasters, harmful impacts and uncertainties: pre-cautious defensibility before happening, buffering, adaptability and mitigation ability during happening and recoverability after happening. Its concrete form (and support to the ability) should be a resilient structure, which may involve core ecological structure, core service and productivity functions, core governance structure and infrastructure networks. A resilient structure is like the anchor and framework of a building, able to defend the building against some dangerous impacts and uncertainties but allow a large sphere of other things autonomously happening. Such a space revolutionizes the traditional conception of ideal space, which is basically a space of certainty, controlled and with all beautiful things coming together. A resilient space integrates some certainty with much openness to uncertainties and impropriety. Future always embraces uncertainty. And space is like a real life – it is growing and we may never know how great its potential is and its learning process is a process of trial and error so some mistakes have to be allowed. So it is a physical blue-print, but also a blue-print integrating self-organization and other spheres of a space.

2. Territory rather than region and city. Obviously region rather than city is the appropriate scale for seeking resilience. And our metropolitan era supports an elevation of city planning to regional planning. And, territory connotes a region within an administrative boundary, as administrative structure is certainly critical for a resilient structure.

#### *Spatial Justice*

### **GENTRIFYING THE ARRIVAL CITY: EXPLORING THE INTERACTION BETWEEN 'GENTRIFICATION' AND 'ARRIVAL' IN OUD-BERCHEM, ANTWERP (BELGIUM)**

**Ruth Wauters, Vrije Universiteit Brussel, BELGIUM**

Literature on gentrification is in need of a new breath. In the current societal reality of superdiversity in cities and neighbourhoods in Belgium and the Netherlands the dichotomy between 'gentrifiers' and 'gentrified' does not longer hold strong. This has severe implications on theory formation of gentrification. I aim to contribute to the theories of gentrification by acknowledging the superdivers context in which gentrification may occur and the multiplicity of migratory neighbourhood processes – among which gentrification – that may be going on in a superdivers neighbourhood. More specifically, I aim to explore the interaction between gentrification and the degree to which a neighbourhood is the place of arrival in the city for lower class, foreign immigrants, i.e. is an 'arrival neighbourhood', in Saunders words. I question whether or not the processes 'gentrification' and 'arrival' can be sustained simultaneously in one and the same neighbourhood, based on the argument that gentrification is a neighbourhood transforming process, while the attraction of newly arriving immigrants demands a stable neighbourhood that allows the transformation or the upwards social mobility of people.

For exploring this theoretical framework, the common quantitative methods used when studying gentrification appear to be inadequate. Assisted by a very detailed longitudinal data set at the level of the individual, migrant flows can be studied by means of migration balances of specific subpopulations. Gentrification can then be detected when the neighbourhood net gains households belonging to the higher class (or highly educated

households in case of 'marginal gentrification'), i.e., when the migration balances of these subpopulations are positive, if physical transformation of the neighbourhood is occurring simultaneously. This allows detecting gentrification during the process, independent of a putative end stage of the process. Migration balances are useful for studying the relative attractiveness or repulsiveness of other groups of households as well. The degree to which a neighbourhood is the place of arrival in the city for lower class, foreign immigrants, however, needs to be estimated relative to the other neighbourhoods in the city. The 'arrival-city-ness' of a neighbourhood is then calculated as the share of arrivals in the total neighbourhood population with respect to the share of arrivals in the city as a whole.

I explore the interaction between gentrification and the 'arrival-city-ness' of a neighbourhood using the methods described above, by studying the neighbourhood Oud-Berchem, situated in Antwerp's 19th century belt. In the 60s of last century, Oud-Berchem experienced a severe population loss due to the suburbanisation of the upward mobile (Belgian) population. The vacancies in the disinvested and deteriorating housing stock were gradually filled by newly arriving guest workers. As such, Oud-Berchem turned into an arrival neighbourhood. Since the late 1980s onwards, the city government started developing policies for 'regenerating' the neighbourhood, while in the 1990s and even more in the 2000s, the middle class was (and still is) actively attracted to Oud-Berchem. Unsurprisingly, gentrification of the arrival neighbourhood is a fact and even rises during the period under study (1991-2006). This did not result in the diminishing of the absolute amount of arrivals in Oud-Berchem. But, the relative attractiveness of Oud-Berchem in comparison with the other neighbourhoods in Antwerp (i.e. its 'arrival-city-ness') did decrease considerably. The interaction between gentrification and arrival can be studied in more detail when the fine-grained level of the 'statistical sector' (consisting of a group of streets) is considered. At the end of the study period, for example, gentrification decreases in two out of the four sectors, while their arrival-city-ness rise. Profound knowledge of the built environment as well as the socio-economic, ethnic and cultural characteristics of the inhabitants of the sectors is crucial for understanding the complex interactions between gentrification and arrival.

So, for the case of Oud-Berchem, it can be conclude that 'gentrification' and 'arrival' cannot coexist in one neighbourhood in a sustainable manner. The overall picture is that gentrification destroys the function of a neighbourhood as the place of arrival for lower class, foreign immigrants. However, depending on particular characteristics of the physical environment and its inhabitants on a fine-grained level, the 'arrival' function of a neighbourhood may suppress gentrification.

#### *Regional Well-being and Happiness*

### **DENSITY, GROWTH AND SUBJECTIVE WELL-BEING IN FINNISH REGIONS: THE PARADOX OF AFFLUENCE IN GEOGRAPHIC CONTEXT.**

**Mikko Weckroth and Philip S. Morrison, Victoria University of Wellington, NEW ZEALAND**

Since the 2009 Report by the Commission on the Measurement of Economic Performance and Social Progress (The Stiglitz Report), most national governments have begun to look beyond economic indicators in order to chart their citizens' own appraisal of their wellbeing.

Relatively few countries however have gone further to look at how regional context influences how their citizens evaluate their wellbeing. The few that have must now confront the uncomfortable fact that the geography of economic growth is not the same as the geography of wellbeing. Instead of rising in highly urbanized dense regions where economic growth is high, several studies show that subjective wellbeing grows more slowly or even declines with urban size and density. Notwithstanding their more rapid growth, highly urbanized regions return unexpectedly low levels of subjective wellbeing among their citizens.

This study re-examines this evidence using 19 Finnish regions by comparing objective wellbeing indicators such as regional economic performance (from Statistics of Finland) and subjective measures of well-being (from the 6th round of the European Social Survey). These data reveal a negative correlation between mean satisfaction with life in each region and its GDP, population density and net in migration. Consistently, the Helsinki-Uusimaa region scores lower level of life satisfaction than the rest of the country.

However there are limitations to the thesis. One of the limitations is the use of the simple 'satisfaction with life' measure. Another limitation is the restriction of the analysis to the population as a whole. Our study addresses both these limitations. Firstly we recognize that there are several different subjective measures of wellbeing which are likely to vary in their sensitivity to urban density and growth. Secondly, we consider the possibility that different types of citizens will respond differently to different levels of urbanization and growth.

In the first of these, we find that, Helsinki-Uusimaa performs better in some of the dimensions of social and personal wellbeing. Social wellbeing as "thick social relationships" and quality of "bonding ties" is at higher level in Helsinki-Uusimaa region as are a number of other subconcepts of personal wellbeing including "vitality", "resilience", "competence" and "meaning and purpose". These results hold even when we control for the fact that regions vary in their population composition.

In order to test this conclusion using other measures we draw on descriptive analysis of measures of human values. The analysis, based on Schwartz's "Human Value Scale", indicates that Helsinki-Uusimaa residents are more likely to value Power, Achievement, Hedonism, Stimulation and Self-direction. And consistently, rest of the regions score higher on the value orientations of Tradition, Conformity and Security.

These results contribute two additional details to the debate over Easterlin's paradox of affluence – the notion that subjective well-being rises at a decreasing rate with income across countries. Our first point is that the paradox of affluence generalization is very sensitive to the measure used as indicator for subjective wellbeing. The second is that the relationship is sensitive to whether one is comparing countries or regions within countries and will change from one region to another depending on levels of urbanization and rates of growth. The third contribution is that the degree of paradox is also sensitive to the attributes of the individuals themselves.

While the paper stops short of addressing policy issues it does subject the negative relationship between life satisfaction and regional growth to closer scrutiny. While on balance wellbeing may still decline at an increasing rate with urban density, when it comes to specific measures of wellbeing the picture is considerably more complex. Certainly, as the literature on the selective nature of internal migration suggests, individuals reweight the domains of wellbeing according to the region in which they settle. And different types of people reweight differently.

#### *Labour Markets and Migration*

### **YOUTH UNEMPLOYMENT POLICY FORMATION: BETWEEN THE INTERNATIONAL POLICY RHETORIC AND THE LOCAL PRACTICE REALITY**

**Peter Wells and Ryan Powell, Sheffield Hallam University, UK**  
**Anne Is, University of Warwick, UK**

Youth unemployment is seen as one of the most pressing problems of the age across many countries. It has risen up the policy agenda at national and international levels. OECD, EU and ILO have dedicated initiatives around youth unemployment, and these are reflected at national and sub-national levels. As the ILO as stated: "The world is facing a worsening youth employment crisis: young people are three times more likely to be unemployed than adults and almost 73 million youth worldwide are looking for work."

To some extent the rise in youth unemployment is seen as a post-crisis phenomenon. This is especially so in an 'austerity' block of countries including Greece, Spain, Portugal, Ireland, the Slovak Republic and the United Kingdom. However it is not simply a post crisis phenomenon - youth unemployment, and persistent youth unemployment, has been increasing for over a decade in many countries.

This paper explores the formation of the policy debate on youth unemployment at an international level and the extent to which this is reflected in changes in the design of local youth unemployment initiatives. The paper draws on a formative study conducted as part of the evaluation of the Talent Match programme in

England. Talent Match (a programme of the UK's Big Lottery Fund) targets funds to 21 areas in England with high concentrations of youth unemployment. There are two notable features of the programme: that young people have a strong role in the design of support; and that it is administered through partnerships led by voluntary organisations.

The conceptual basis for this paper stems from recent debates around local and regional economic geography around the role of place as (increasingly) open and discontinuous places (Jonas 2012; Pike 2007). This paper explores Tomaney's Parochialism - a defence (2013) in relation to the policy debate to capture, shape and determine the direction of youth unemployment policies. This, it is argued, has shifted away from its traditional place as part of nation-state politics to a more multi-level and unstructured space from international organisations to local actors. Indeed work by Amin (2004) is more strident suggesting a 'new politics of place free of fixity and boundedness' challenging even the very notion of local specificity. As such this suggests a world in which any local distinction is measured against an ideal of progressive cosmopolitanism. Whilst it is necessary to accept Featherstone's concern with the 'prisonhouse of particularism' (Featherstone 2005), this paper argues policy prescriptions to solve youth unemployment have taken a strongly neo-liberal turn and that this can only be explained by considering local responses in relation to wider and increasingly global policy debates.

The paper firstly considers the increasing internationalisation of the youth unemployment debate, and explores how this has shifted not simply to supranational government bodies but also to global corporate and non-governmental actors. Alongside the contributions of the OECD, ILO and EU, organisations such as McKinsey, Reed International, J.P. Morgan and Deutsche Bank have all published reports on youth unemployment and how it may be solved. The paper explores these documents, the devices used to frame the debate, and the implications of this for policy. These documents are therefore examples par excellence of a neo liberal form of progressive cosmopolitanism.

Against this backdrop the second part of the paper contrasts these global actors with local action in the youth unemployment field. The paper does this through four case studies of local Talent Match partnerships. In Case Study A we explore the 'transcending organisation', a voluntary organisation which operates both locally and nationally, and a priori may be expected to be a conveyor of national and international policy to a local level. Case Study B is similar but considers an 'outsider' organisation which has entered a new locality. As such it may be a conveyor of policies also. Case Study C concerns a locally based voluntary organisation working in a large metropolitan area, where it can be seen as seeking to develop a role beyond its traditional working area, and in particular in a national and international arena. Finally, case study D is of a voluntary organisation working in a largely rural area. Its remit, due to resource constraints, is far more curtailed and it seeks to secure a strong position in a local policy arena.

In conclusion the paper argues that the formation of youth unemployment policy can no longer be seen within nation-state or even international government perspectives. The formation of policy is now more fluid and open to non-governmental actors and global corporations. This it is argued has led to considerable convergence in policy, and a consensus amongst policy elites. Whilst local responses are still seen as 'part of the solution' they are now structured far more on the terms of an increasingly global debate.

#### *Special Session 5: Housing and Urban Regeneration*

#### **URBAN REGENERATION AND QUALITY OF LIFE: A CASE STUDY OF IZMIR, TURKEY**

**Mark Wilson and K. Irene Shim, Michigan State University, USA**  
**M. Vedat Pazarlıoğlu, Dokuz Eylül Üniversitesi, TURKEY**

Rapid economic growth, social change, and migration have all challenged the capacity of cities to provide the housing and services desirable for an improved quality of life. Globally, cities face pressure to provide housing, employment and education at a time of limited resources, while many areas seek to build a 21st century city on a foundation that may be thousands of years old. Cities in Turkey are no exception, and often contain neighborhoods with poor housing, structures that do not meet needs for earthquake resistance, and evolving

squatter communities that are now viable social centers. As cities consider urban regeneration policies it is essential to include residents and citizens in the decision making process.

More than fifty years ago Jane Jacobs, in *The Death and Life of Great American Cities*, reminded us to recognize the importance of social factors in urban regeneration. Policy often focuses primarily on the physical structure of cities with little consideration for the intangible values of citizen participation and community ties. This research focusses on the role of community factors in the regeneration process by studying the neighborhoods and squatter settlements, *gecekondu*, of Izmir, Turkey. To understand the interests and needs of residents, this study selected several settlements in Izmir for analysis. Residents are asked about satisfaction with their neighborhood, with emphasis on the role of family and community ties, housing quality, and expectations for current and future regeneration. Results provide a valuable input to the policy process by identifying the experience of current residents.

#### *Regional Development Policy*

### **REGIONAL POLICY IN POLAND IN TIME OF ECONOMIC CRISIS. DOES IT REALLY WORK?**

**Dominika Wojtowicz, Kozminski University, POLAND**

**Agnieszka Olechnicka, University of Warsaw/EUROREG, POLAND**

The Cohesion policy was created in order to stimulate economic, social and territorial integration within European space and it should foster the development of less developed regions (Rodriguez-Pose Fratesi 2004, Vaidere 2011). In the case of Poland - the largest beneficiary of EU Cohesion policy - the dominant part of a regional development policy measures is financed by funds allocated to the realization of Objective 1 of Cohesion policy. This fact makes the regional development policy experiences the process of Europeanization: its shape in terms of supported areas and organizational structure is consistent with guidelines set by the EU (Dabrowski 2012, Grosse 2013). The impact of Europeanization on regional policy is affected both by EU law and formal requirements of the European Commission, as well as informal recommendations of Community's institutions accompanying arrangements on programming and operational documents (Camyar 2010).

The process of implementation of the Cohesion policy funds within 2007-2013 budget started in the majority of Polish regions at the beginning of 2008. This coincided in time with the escalation of the world economic crisis and the appearance of the first symptoms of the economic slowdown in the Poland (Wojtowicz, 2011). Deterioration of socio-economic conditions led to a lack of both private and public investments and therefore resulted in problems in co-financing development projects (Policies 2010). In November 2008, the European Commission decided to launch the European Economic Recovery Plan in which the importance of the role of cohesion policy in mitigating the effects of the crisis was particularly stressed (EERP 2008).

In this context it is worth to examine whether the dependence of regional development policy on the Cohesion policy has helped Polish regions to respond to the problems and challenges associated with the deterioration of their financial condition.

The purpose of the study was to explore the adequacy of the Cohesion policy implemented at the regional level to support the development of two regions: Lower Silesia and Podlaskie during the economic slowdown. The authors attempted to answer the following questions:

1. What was the impact of the economic crisis on the implementation of the cohesion policy in Podlaskie and Dolnośląskie regions?
2. Has the regional policy financed by Cohesion policy funds been modified in relation to worsening economic condition and the appearance of new problems and challenges?
3. What is the role of cohesion policy in reducing the effects of the crisis in these two Polish regions?

The case studies were designed on the bases of the analyses of the statistical data, documentation review, in-depth interviews with representatives of EDRF and ESF management and implementation authorities and representatives of the Ministry of Infrastructure and Development (former Ministry of Regional Development)

and experts (n=15). The study was undertaken within the project "Study on the impact of the economic crisis on social, economic and territorial cohesion" realised for the European Parliament in 2012-2013.

For the purpose of the study two different regions were intentionally chosen. Podlaskie is one of the most backward, peripherally located regions of EU characterized by closed economy with domination of the agriculture sector. Quite the opposite, Lower Silesia is relatively well-developed region with a significant share of the industry in GVA (in comparison to EU average) and high share in Polish export. Distinct development conditions determined also different priorities of the Cohesion Policy in these two regions.

*Special Session 8: Functioning of the Customs Union between Turkey and the EU*

**GRAVITY ANALYSIS OF THE EUROPEAN UNION-TURKEY CUSTOMS UNION**

**Seçkin Yıldırım and Şule Gündüz, and Dokuz Eylül University, Faculty of Business, TURKEY**

The consequences of the EU-Turkey Customs Union for the economy of Turkey has been a much debated issue, centered around a wide array of empirical research that has produced conflicting evidence. Prepared within the context of the TUBITAK-funded Project EUTRACU (113K013), this paper aims to serve as an up-to-date extension to the existing research by employing a theoretical Gravity model with panel data in order to compute the impact of the Customs Union on Turkey's trade within (trade creation) and outside (trade diversion) of the Customs Union. We find strong evidence that the Customs Union has resulted in a significant increase in Turkey's both exports to and imports from the European Union, with the impact being slightly higher in imports. We also detect a negative impact on Turkey's trade with several key third countries, Turkey's trade with whom appears to have shifted towards European Union member countries after the formation of the Customs Union.

*Special Session 9: Regionalism in International Law and Relations*

**THE SCO AS A CLASSIC GROSSRAUM?**

**Yinan Yin, University of Central Lancashire, CHINA**

This paper will shed new light upon the implications and limits of Grossraum theory by cross-referencing an empirical analysis of the SCO. The SCO is a permanent intergovernmental international organisation whose creation was proclaimed on 15 June 2001 in Shanghai, China. The SCO emerged as the successor to the Shanghai Five, which had been used by Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan from 1996 to 2001 as a forum for addressing Sino-Soviet border disputes and demilitarising borders. In 2001, it transformed itself into the SCO understood as an essentially voluntary and treaty-based regional organization.

Although the SCO as a regional organization was initiated for counter-terrorism, the SCO has within its first decade, clearly developed and refined an organisational structure, expanded its relations with other multilateral institutions, and taken concrete actions to broaden and solidify its economic, political, and security-related impact and influence, not least in promoting the wider pluralistic cause of multi-polar regionalism.

The SCO is a unique regional organisation, which differs from the other longer standing international organisations. It has "RATS" as a permanent standing organ of the SCO which serves to promote cooperation of member states against "the three evils" of terrorism, separatism and extremism, which are run together. However, it is also different from NATO in that possesses a wider remit over regional development - including finance, banking, energy and economic development. The SCO is similar to the EU Grossraum to some extent, with its commitment to enhance regional integration by removing impediments to certain types of economic planning, organisation and development. However, it is also different the EU, not least in terms of a preservation of strong national sovereignty enhancement and the retention of an intergovernmental structure with lower levels of delegation to administrative bodies and the absence of doctrines of quasi-legislative



“direct effect.” Therefore, it is worth exploring and interpreting what characteristics the SCO is equipped with, what role it plays as an emerging Grossraum with two leading powers - China and Russia, in the context of diversity of regions.

What is important is the argument that many aspects of the empirical practices of the SCO cannot be grasped in traditional Grossraum terms, and thus suggest a need to revise this classical approach. This paper will firstly concentrate on those elements of the SCO that are relevant to its possible characterisation as a Grossraum in the sense addressed above. The paper aims to answer the question of whether the SCO, given its recent creation, has made remarkable steps forward towards regional integration along classic Grossraum lines. Furthermore, if the SCO’s significance lies in how its empirical details and structure partly exemplify the Grossraum concept, what challenges may the SCO pose for classical Grossraum theory? This question is raised is because there are discrepancy areas that should be noted as well, such as the co-existence of two regional superpowers (China and Russia), the fragmented membership of security organisations, and the absence of provisions for minority representation. There is also the question of the underdeveloped nature of SCO-wide executive, judicial and administrative bodies outside the field of security.

However, the SCO has succeeded in securing various regional balances of power and equilibrium tendencies through its dealings with both the EU and NATO. This has occurred in ways that classic theory does not anticipate but, perhaps, needs to learn from. Meanwhile, there is growing evidence that the SCO is meeting many of its members’ aspirations with no members withdrawing and other states, such as Iran, India and Pakistan, seeking to join as full members. Can this equilibrium or balance which the SCO has achieved both internally and externally be sustained and remained within an increasingly multipolar global order? These tendencies towards regionalism to which the SCO is both a contributor and beneficiary, are likely to intensify - albeit in perhaps unpredictable ways. In order to retain the equilibrium or balance and achieve regional self-determination in practice, the SCO needs to positively promote global intra-Grossraum principles to run alongside the often hopeless work of the United Nations.

#### *Spatial Planning and Infrastructure*

### **SHRINKING AND WRINKLING OF SPACE CAUSED BY UNEVEN REGIONAL ROAD NETWORK INVESTMENTS: AN ANALYTICAL MODEL TO VISULISE ACCESSIBILITY PATTERN USING TIME-SPACE MAP**

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Investing on road network infrastructure improves accessibility of a region generally, although levels of improvement vary between individual cities. Time-space map, which reproduces geographic space by defining proximities using travel-miles or travel-time on shortest-paths between locations, has been seen as an adequate visual summary of the travel time relationships in a given environment and relevant techniques has been discussed since 1960s. However, current time-space analysis method is still underdeveloped because of: (1) short of data (making time-space map of  $N$  cities needs an OD data matrix of  $N*(N-1)/2$  records); (2) uncertain the fitness of a result (errors are unavoidable, but how big the error is?). Recent developments on web-based-map-service and data-crawling technique have made generating the OD data of hundreds cities possible, using online resource. Meanwhile GIS visualisation module is now able to present time-space map properly 2D or 3D. These new developments can now allow the potential of time-space analysis techniques to be realized.

This paper developed and tested an analytical method for using time-space map to visualize regional transportation accessibility pattern, based on a synergy of current internet big data capturing, statistic analysing, and 3D-visualization technologies. Firstly, OD data matrix (travel distance and travel time by cities) are generated from major web-map-server’s direction API using web-crawling programs. Secondly, Multidimensional Scaling method is applied to find the best-fitting configuration space while replacing Euclidean distance with network distance or time distance collected. The range and distribution of errors are further examined to test the validity and reliability of the result. Finally, configuration space is overlapped with

the geographical map in 3D environment, to observe the stretching, shrinking and wrinkling effects of space caused by uneven transportation accessibility improvement.

## INDEX

Abbas, 3  
Abrahamsson, 123  
Aerts, 3, 35  
Ahmad, 4  
Alhashemi, 5  
Alves dos Santos, 105  
Andersson, 5  
Argent, 6  
Argirou, 7  
Arioldi, 8  
Aronsson, 17  
Atfield, 53  
Avdikos, 8  
Ay, 37  
Bacic, 9  
Bailey, 10, 36  
Bajtalan, 10  
Baker, 61  
Balland, 11  
Basford, 11  
Bassens, 12  
Baypinar, 13  
Beer, 13, 131  
Bellini, 13  
Belof, 16  
Benneworth, 71  
Bentley, 126  
Berkeley, 14  
Berzin, 14  
Bishop, 73  
Björk, 22  
Boeck, 35  
Bollen, 15  
Borsa, 16  
Boschma, 1, 11  
Bouaroudj, 47  
Branzanti, 17  
Braunerhielm, 17  
Breathnach, 138  
Bristow, 58  
Brittain, 18  
Buciak, 19  
Bukve, 19  
Cabral, 24  
Cabras, 20  
Cadima Ribeiro, 113  
Cagil, 21  
Calzada, 22  
Canello, 23  
Capone, 122  
Castro Arce, 25  
Cavaco, 24  
Celinska-Janowicz, 26  
Champion, 52  
Chaniotou, 109  
Chardas, 27  
Chen, 69  
Chmieliński, 28  
Christmann, 120  
Clapp, 57  
Cocks, 28  
Colavitti, 29, 136  
Cook, 10  
Cooke, 1  
Coombes, 52  
Courtney, 30  
Curran, 138  
Curro', 30  
Dabinett, 31  
Dabrowski, 32  
Dahlström, 34  
Dalziel, 34  
De Corte, 35  
de Haan, 56  
De Ruyter, 36  
De Ville, 15  
Dedekorkut-Howes, 36, 62  
Demires Ozkul, 37  
Dessein, 93  
Di Caro, 38  
Dioli, 38  
Dolega, 39, 78  
Dotti, 39  
Dragoni, 133  
Drews, 40  
Du, 41  
Dulupcu, 41  
Dulupçu, 124  
Dusek, 88  
Ebbekink, 78  
Elouaer-Mrizak, 42  
Elshof, 43  
Enright, 43  
Eom, 82  
Epasto, 44  
Estensoro, 45  
Falcioğlu, 46  
Find, 5

Fosse, 46  
 Fratesi, 47  
 Frédéric, 47  
 Freitas Santos, 113  
 Gerasimova, 49  
 Gerritsen, 50  
 Gezici Korten, 51  
 Gibson, 52  
 Gordon, 52  
 Green, 53  
 Groenendijk, 54  
 Groot, 50  
 Grünhut, 104  
 Guastella, 133  
 Gülcan, 136, 150  
 Gündüz, 55, 150  
 Gunessee, 5  
 Guo, 69  
 Gutberlet, 55  
 Haartsen, 56, 68  
 Halkier, 2, 67  
 Hall, 57  
 Hart, 94  
 Hayter, 57  
 Healy, 58  
 Henry, 59  
 Herbst, 59  
 Hermann-Pawlowska, 60  
 Hildreth, 60  
 Hillebrand, 61, 119  
 Hincks, 61  
 Holt, 61  
 Hong, 82  
 Høvig, 46  
 Howes, 62  
 Huang, 63  
 Humhal, 64  
 Hwang, 65  
 Ibrahim, 65  
 Idczak, 66, 99  
 Ikonomou, 7  
 Isaksen, 67, 128  
 Jaansoo, 54  
 Jackson, 106  
 Jakobsen, 46  
 James, 67  
 Jarosi, 13  
 Jeuring, 68  
 Johnsen, 102  
 Jones, 69  
 Kacani, 69

Kakderi, 70  
 Kalogeresis, 8  
 Karlsen, 71  
 Karlstad, 116  
 Kavarnou, 71  
 Kerimoğlu, 51  
 Kesbeke, 138  
 Khishtovani, 72  
 Kim, 82  
 Kirchner, 74  
 Kitchin, 2  
 Kitsos, 73  
 Knudsen, 74, 102  
 Koch, 74  
 Kosmala, 129  
 Kostreš, 92  
 Kotilainen, 75  
 Kozak, 127  
 Kozina, 76  
 Kristiansen, 74  
 Kropp, 121  
 Küçütaş, 77  
 Kumar, 77  
 Kurtoğlu, 46  
 Lagendijk, 78  
 Lambiri, 78  
 Lapuh, 79  
 Larsen, 79  
 Larsson, 81  
 Lazzeretti, 122  
 Lee, 65, 82, 126  
 Lenihan, 82  
 Lindh, 83  
 Littke, 111  
 Loffredo, 13  
 Logue, 6  
 Loots, 140  
 Louro, 85  
 Is, 147  
 Luca, 86  
 Lujza Tunde, 87  
 Lukovics, 88  
 Magro, 45  
 Maiello, 105  
 Makelainen, 88  
 Mangano, 89  
 Manickam, 90  
 Markowska, 130  
 Marques, 91  
 Marques da Costa, 85  
 Marques Da Costa, 91

Martelli, 98  
 Martins, 24  
 Mats, 123  
 Matthiessen, 5  
 Matusiak, 92  
 Mc Guirk, 82  
 McAllister, 101  
 Medenica, 92  
 Melik, 79  
 Messely, 93  
 Mickiewicz, 94  
 Miszczak, 95  
 Mitander, 96  
 Möller, 97  
 Monastiriotis, 98  
 Morgan, 91  
 Morley, 98  
 Morrison, 99, 146  
 Mrozik, 66, 99  
 Mulder, 43  
 Mulvey, 106  
 Nagy, 100  
 Nanda, 71, 101  
 Nared, 101  
 Naveed, 4  
 Neugebauer, 102  
 Nieuwenhuizen, 50  
 Njøs, 46  
 Normann, 102  
 Nyakudya, 94  
 Öjehag Pettersson, 96  
 Öjehag-Pettersson, 103  
 Olechnicka, 92, 107, 149  
 Olsson, 17, 97  
 Oruç, 51  
 O'Shaughnessy, 43  
 Owen, 142  
 Pálné Kovács, 104  
 Pasquinelli, 105  
 Pavone, 23  
 Pazarlıoğlu, 148  
 Peck, 106  
 Perry, 106  
 Perucca, 47  
 Picard, 42  
 Pieniążek, 19  
 Pinheiro, 71, 128  
 Ploszaj, 92, 107  
 Pollerman, 107  
 Portas, 108  
 Powell, 147  
 Pringle, 10  
 Pugalis, 126  
 Pylak, 109  
 Quinn, 30, 110  
 Rajaonson, 131  
 Raue, 107  
 Rauhut, 111  
 Redlein, 64  
 Reiner, 119  
 Rekhviashvili, 112  
 Remoaldo, 113  
 Richardson, 91  
 Rigby, 11  
 Rizzi, 38, 114  
 Rodrigues, 115  
 Rogge, 93, 140  
 Roller, 142  
 Rovai, 13  
 Rowe, 106  
 Ryckewaert, 116  
 Salter, 117  
 Sanul, 118  
 Sardadvar, 119  
 Scherle, 61, 119  
 Schierz, 120  
 Schnaut, 107  
 Schöenweitz, 121  
 Schwengler, 121  
 Sebestyen, 13  
 Seçilmiş, 122  
 Segerstedt, 123  
 Sezgin, 41, 124  
 Shevchenko, 125  
 Shim, 148  
 Shutt, 126  
 Singleton, 39  
 Sissons, 126  
 Smetkowski, 127  
 Smith, 127  
 Sørkjorddal Hauge, 128  
 Speda, 74  
 Spithoven, 39  
 Szejgiec, 129  
 Sznajder, 129  
 Szótek, 130  
 Tanguay, 131  
 Tasopoulou, 70  
 Theodorakopoulos, 94  
 Thredgold, 131  
 Tian Miao, 94  
 Timpano, 133

Torabi, 62  
Torok, 134  
Trammel, 98  
Trincas, 29, 136  
Trippel, 67  
Tümer, 136  
Turok, 135  
Usai, 29, 136  
Uwazuruike, 137  
van Berkel, 90  
Van Egeraat, 138  
van Heur, 39  
Van Heur, 138  
van Meeteren, 12  
van Riemsdijk, 139  
Van Wunnik, 69  
Vanderplanken, 140  
Vanoutrive, 141  
Vanthillo, 141  
Vareiro, 113  
Vasstrøm, 141

Vatanen, 75  
Vercruysse, 142  
Verhetsel, 141  
Vermeulen, 142  
Vicente, 143  
Wang, 144  
Warren, 6  
Wauters, 145  
Weckroth, 146  
Wells, 147  
Wilson, 148  
Wink, 74  
Wissen, 43  
Wistrich, 127  
Wojnicka-Sycz, 109  
Wojtowicz, 149  
Wrigley, 78  
Wrzochalska, 28  
Yıldırım, 55, 150  
Yin, 150  
Zhou, 41, 151