

RSA Membership Bands

Choose your membership band according to your country of residence.

The list is compiled using GDP per capita PPP USD tables from the United Nations Development Programme Report 2007–2008.

| A | Australia | Finland | Japan | Slovenia |
|---|----------------|-------------|---------------------|-------------|
| | Austria | France | Korea (Republic of) | Spain |
| | Bahrain | Germany | Kuwait | Sweden |
| | Belgium | Greece | Luxembourg | Switzerland |
| | Burunei | Hong Kong | Netherlands | UAE |
| | Darussalam | China (SAF) | New Zealand | UK |
| | Canada | Iceland | Norway | USA |
| | Cyprus | Ireland | Portugal | |
| | Czech Republic | Israel | Qatar | |
| | Denmark | Italy | Singapore | |

| B | Antigua and Barbuda | Croatia | Malta | Saudi Arabia |
|---|---------------------|------------------------|-----------------------|---------------------|
| | Argentina | Estonia | Mauritius | Seychelles |
| | Bahamas | Hungary | Mexico | Slovakia |
| | Barbados | Latvia | Oman | South Africa |
| | Botswana | Libyan Arab Jamahiriya | Poland | Trinidad and Tobago |
| | Chile | Lithuania | Russian Federation | |
| | Costa Rica | Malaysia | Saint Kitts and Nevis | |
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| C | Albania | Cuba | Lebanon | Serbia |
|---|------------------------|----------------------------|----------------------------------|------------------------------------|
| | Algeria | Dominica | Macedonia (FYR) | Suriname |
| | Azerbaijan | Dominican Republic | Maldives | Thailand |
| | Belarus | El Salvador | Namibia | Tonga |
| | Belize | Equatorial Guinea | Panama | Tunisia |
| | Bosnia and Herzegovina | Fiji | Peru | Turkey |
| | Brazil | Gabon | Philippines | Ukraine |
| | Bulgaria | Grenada | Romania | Uruguay |
| | Cape Verde | Iran (Islamic Republic of) | Saint Lucia | Venezuela (Bolivarian Republic of) |
| | China | Jordan | Saint Vincent and the Grenadines | |

| D | Angola | Egypt | Lesotho | Sao Tome and Principe |
|---|--------------|---------------|------------|-------------------------------|
| | Armenia | Eritrea | Madagascar | Senegal |
| | Bangladesh | Ethiopia | Malawi | Sierra Leone |
| | Benin | Gambia | Mali | Solomon Islands |
| | Bolivia | Georgia | Mauritania | Sri Lanka |
| | Burka | Ghana | Moldova | Sudan |
| | Burkina Faso | Guatemala | Mongolia | Swaziland |
| | Burundi | Guinea | Morocco | Syrian Arab Republic |
| | Cambodia | Guinea-Bissau | Mozambique | Tajikistan |
| | Cameroon | Guyana | Myanmar | Tanzania (United Republic of) |

| BAND A | GBP (£) | EUROS (€) | US DOLLARS (\$) |
|-------------------|---------|-----------|-----------------|
| ANNUAL MEMBERSHIP | | | |
| Individual | £81 | €103 | \$129 |
| Student | £37 | €48 | \$60 |
| Early Career | £61 | €77 | \$98 |
| Associate | £61 | €77 | \$98 |
| Corporate | £165 | €209 | \$265 |

| BAND B | 25% DISCOUNT FROM THE FULL PRICE | | |
|-------------------|----------------------------------|-----------|-----------------|
| ANNUAL MEMBERSHIP | GBP (£) | EUROS (€) | US DOLLARS (\$) |
| Individual | £61 | €77 | \$98 |
| Student | £28 | €36 | \$46 |
| Early Career | £46 | €58 | \$74 |
| Associate | £46 | €58 | \$74 |
| Corporate | £124 | €157 | \$200 |

| BAND C | 50% DISCOUNT FROM THE FULL PRICE | | |
|-------------------|----------------------------------|-----------|-----------------|
| ANNUAL MEMBERSHIP | GBP (£) | EUROS (€) | US DOLLARS (\$) |
| Individual | £41 | €52 | \$65 |
| Student | £19 | €24 | \$31 |
| Early Career | £31 | €39 | \$49 |
| Associate | £31 | €39 | \$49 |
| Corporate | £83 | €105 | \$133 |

| BAND D | 75% DISCOUNT FROM THE FULL PRICE | | |
|-------------------|----------------------------------|-----------|-----------------|
| ANNUAL MEMBERSHIP | GBP (£) | EUROS (€) | US DOLLARS (\$) |
| Individual | £20 | €26 | \$33 |
| Student | £9 | €12 | \$16 |
| Early Career | £15 | €19 | \$26 |
| Associate | £15 | €19 | \$26 |
| Corporate | £41 | €52 | \$67 |

NOTES:

- Student rate is for full time students only and proof may be requested.
- Early Career rate is for those in the first three years work since full-time education. Proof may be requested.
- Associate rate is for those who are retired from full-time work.
- Corporate rate is for organisations, university departments, companies etc.

Prices 2011

Regional Studies Association

Regional Development and Policy – Challenges, Choices and Recipients

Annual International Conference

Monday 18th April-Wednesday 20th April 2011

University of Newcastle
UK

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Welcome

Dear Colleagues

We welcome you this seventeenth Annual International Conference of the Regional Studies Association 2011, entitled '**Regional Development and Policy – Challenges, Choices and Recipients**' which takes place in the vibrant city of Newcastle, UK. The conference will be one of our biggest ever.

These are interesting times for regional policy in many parts of the world. In England there is a substantial change in policy focus taking place with the coalition government replacing Regional Development Agencies with Local Enterprise Partnerships which have considerably less funding and uncoordinated geographies. Internationally, including recently in the USA, there seems to be growing recognition of the importance of space-based policies but such patterns are uneven. Meanwhile, in Europe, the recent publication of DG Regio's Fifth Cohesion Report highlights success on the ground but that much remains to be done. Indeed member states now face the need to deliver against the ambitious targets laid out in *Europe 2020*. There will be much to discuss.

In many (but not all) countries higher education is now facing austerity cuts and these are being applied unevenly across different subject areas. The effects are also being felt differentially by researchers at different career stages, with more funding cuts appearing to impact on early career researchers. It is not only in higher education that monies are short for travel and conference attendance – the effect stretches to all branches and tiers of government and to the private sector. In response, the Regional Studies Association is working hard to address members' needs in this challenging environment.

At this conference the Association will reinforce this message through its commitment of £250,000 for the regional studies community and by announcing the commencement of a new research grant scheme (up to a maximum of £10,000) aimed at early career researchers. Monies can also be accessed to attend conferences, to travel, to run research networks and to support non-RSA conferences and events. These opportunities are on offer alongside the more traditional benefits of RSA membership which include the following publications (all received in both print and online format):

- Journals - Regional Studies (10 issues a year); Spatial Economic Analysis (4 issues a year);
- Magazines - Regions (4 issues a year) ; Regional Insights (2 issues a year);
- E-subscription to 8 related Routledge journals;
- 30% discount of subject related books from Routledge and Edward Elgar.

Go to our website www.regional-studies-assoc.ac.uk or talk to our staff or Board members to find out more about our activities. We encourage you to maximise the value of your membership.

We would like to say a special thank you to those who have made this event possible. Particular thanks go to Professor John Tomaney and his colleagues within CURDS who have been magnificent to work with and who have been longstanding friends to the Association. We also thank Newcastle University for their support and Kevin Richardson and his colleagues at Newcastle City Council for their generosity and help. We thank all of you who have played a role as conference gatekeepers in helping to organise and coordinate the sessions. And we also thank all those who will be active participants in the conference for their time in writing and presenting their work, for chairing sessions, and for participating in the debate. Finally we would like to thank the staff team at the Regional Studies Association for their continuing professionalism and commitment.

Finally, please pencil in dates in your diary for our two international conferences next year in Delft, Holland from Monday 14th – Wednesday 16th May (inclusive) and in Beijing, China from Sunday 24th to Tuesday 26th June (inclusive) with field trips running on Wednesday 17th June. Details are on the Association website.

We do hope that you enjoy the conference, and look forward to meeting you.

With all best wishes

David Bailey

Sally Hardy



Chair, Regional Studies Association

Chief Executive, Regional Studies Association

Centre for Urban and Regional Development Studies: an introduction

The Centre for Urban and Regional Development Studies (CURDS) was founded at Newcastle University in 1977 to provide a focus for research in this field. Between 1977 and 2011 the Centre has engaged over 160 staff of whom over 100 have held research posts. In addition, over 50 PhDs have been awarded for research conducted in CURDS and almost 100 people have graduated from our masters programmes.

The distinctive mission of CURDS over the past 34 years has been to produce research which is both academically rigorous and policy relevant. The Centre aims to enhance its international research reputation and standing through publication, research grants and consultancy and to sustain and develop our research capacity and culture through professional support for staff and postgraduate programmes. Its excellence is reflected in its outstanding record of publication in the best journals and its ability to continue to attract research council and other income. Its relevance lies in the fact that policy-makers, civic organisations and the media continue to turn to it for impartial and authoritative research and advice in the field.

CURDS research is diverse and wide-ranging, but among the key themes over the years has been a concern with defining regions and exploring relationships between people and places. At the core of CURDS work is a focus on the conditions that shape local and regional development, including patterns of corporate restructuring, the role of financial systems, the role of indigenous enterprise and innovation and knowledge and questions of culture and regeneration. CURDS work has strong focus on the role of institutions, public policy and governance systems in shaping local and regional development, especially the contribution of place-based development strategies. It has a particular concern with peripheral places and peripherality in shaping patterns of development.

These concerns are reflected in research projects in the Centre conducted over recent years including Social Inclusion through the Digital Economy (Engineering and Physical Sciences Research Council), participation in the UK Spatial Economics Research Centre (Economic and Social Research Council, the Department for Business Innovation and Skills, Department for Communities and Local Government, Welsh Assembly Government), The University and the City (Leverhulme Trust), Islamic finance in the UK and US (British Academy) and Place Branding for Urban Development (ESRC).

At the same time, CURDS seeks directly to influence public debates as reflected in a range of recent projects including Non-state Actors in Local Economic Governance (OECD), Urbanisation, industrialisation and growth in Henan (Henan Provincial Government, China), The Future of Regional Policy (Australian Business Foundation), Assessing the Importance and Value of Historic Buildings to Young People (English Heritage), Land Use Futures (Government Office for Science), Defining Housing Market Areas (Department for Communities and Local Government), Decentralisation and Public Service Provision (Department for Communities and Local Government), Universities in the Innovation Economy (National Endowment for Science Technology and the Arts) and The Impact of Restructuring at Northern Rock Bank (One North East).

John Tomaney
Henry Daysh Professor of Regional Development Studies
Director, Centre for Urban and Regional Development Studies

Newcastle, April 2011

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Angela Abbott, Newcastle University, UK

This paper adopts a carer perspective to explore the benefits and limitations of commoditised informal care, being introduced through personalisation and self directed support options in adult social care. These agendas are further supported by 'Big Society' discourses seeking to expand volunteering within local communities. Seeking to promote the uptake of personal budgets among families and stimulate volunteering activity, these agendas aim to create more person-centred, local, and diverse care provision across sectoral divides. One of the key aims of this ESRC funded PhD study was to understand issues of choice and control for informal carers. Based on semi-structured interviews and solicited diaries with informal carers in Tyne and Wear, UK, this paper outlines some of the everyday practices and meanings of informal carers, questioning how far commodification might alter choice and control in their everyday relations, and whether this is likely to improve good quality care for older people. The widening of choice and control in an era of rapid welfare restructuring and financial retrenchment creates an uncertain future for organisational support at the local level, particularly in economically marginalised communities. Local capacity to respond to these agendas in a way which positively transforms caring practice at home and in communities is therefore a significant unknown. This paper raises some issues to highlight the growing importance of informal labour to sustaining caring welfare, and the impact this may have on the broader economy.

Maria Abreu, University Of Groningen, THE NETHERLANDS

The extensive literature on university-business links has focused almost entirely on science and technology fields, while little is known about the extent of academic entrepreneurship in other subjects. In this paper we focus on new firm creation and academic collaborations with external private, public and third sector organisations by academics in the creative arts. The issue of academic entrepreneurship is of great policy significance, and is once again at the forefront of policy discourse, as governments in the UK and across the OECD seek to widen the impact of higher education institutions. However, focusing resources on science and technology subjects to the detriment of other subjects could risk undermining the substantial contribution that the creative arts make to the local and national economies, through collaborative relationships with business, links with community organisations, exhibitions and public lectures. Our analysis is based on a recently completed survey of UK academics, providing micro-data on nearly 22,000 academics in the sciences, social sciences, arts and humanities. The data are complemented using institution-level data on financial and logistical support for entrepreneurial activities. Our results indicate that, contrary to public perception, academics in the creative arts collaborate widely with a wide range of sectors, including a number of manufacturing sectors.

Adiwan Aritenang, UCL, UK

This research will unfold the effect combination of within region's governance process and state restructuring to region disparities. This research will justify political-economic, social and institutional factors that influence such economic performance. This research attempts to capture governance process in the triangle event between regional balance, decentralization and AFTA in Indonesia regions. This research recognized the importance of Institutional and policy variables that determines the potential growth impact of district level politics and local policies. This conceptual framework chapter encompasses three stages. The first stage studies the political

economy of regions with focus on interest group constellation, central government and regional competition. The next stage pays attention to the nature of multi-level governance and their impacts to the implementation of decentralization. As analyzed by an expert on Indonesian economy, the main outcome of decentralization and trade liberalization is the improvement of service delivery. Finally, the third stage that explores recent economic growth on selected regions and aligns possible links between economic policy reform and economic performance outcome. This qualitative research is grounded on the hypothesis that “the state restructuring combined with different local policies determines the individual region’s growth and welfare”. Using theories on multi-level governance and institutional approach the study shows that capacities of local government and stakeholders determines the outcome of governance process. The research is organized as follows; section one and two will discuss Indonesia decentralization and theories on governance, respectively. While section three will analyzed the capacities and effects of governance in Indonesia and last section will discuss the summary of the study.

Gateway M1

REGIONAL POLICY FOR RUSSIA: WEST AND EAST MOTIVES

Sergey Artobolevskiy, Institute Of Geography Russian Academy Of Sciences, RUSSIA

During the last 10 years several attempts have been undertaken in Russian Federation (RF) to solve the spatial problems of the country: reform of the local self-government, merging subjects of Federations, practical use of growth poles theory (considering agglomerations and clusters as practical tools of this theory), development of border areas cooperation. And nor one of them was not recognized by experts as successful. The Regional problems of Russia (of the federal level) require vastly greater attention of state, than it spares him. This is explained, both by insufficiency of the country budget and incomprehension to importance of this state activity direction for internal integration. Within the framework of Russian Empire emphases were on joining new territories, rather than development of already “occupied”. Need of the coexistence state, consisting of so different areas (the differences not only quantitative, but also qualitative), have brought about such strange 'hybrid' creation, as federative empire. Public loyalty to the Centre - that was needed, first of all, from new territories. RF inherited many features of Empire. The Regional policy remained excessively politicized with special attention to ethnic areas. The regional policy in modern Russia is directed not on prevention of crisis in preselected areas, but on their decision already during crisis period. The latest example of this this – company towns. State help to the latter started in peak of the crisis only and sharply decreased in the beginning of stabilization period. There are several factors, which at the last 20 years define the processes of the regional development in RF. Among them are size of territory and spatial integration degree (and specifically transport relatedness territory), firm depopulation, leading to shift of the population and facilities southward and westward. Already understandable that density of population will be shorter, and regional policy must come from that fact that state will only check growing part of the Country. The Country needs the regional policy of 'retreats and developments'. The events, occurring in Russia, will have a direct influence on regional development of the EU countries. First, Russian border areas can be useful for adjacent EU regions. And not only as suppliers of resources, but also, as big market. Secondly, Russia can become the bridge between West and West. Marked membership of the country in WTO will require the reform in Russian regional policy. And WTO, and EU leave regional policy as practically only possible channel for state help to national business (under allowed help rates, exceeding official). This means the confession of impossibility to solve the regional problems by market methods and, first of all, competition per se. Regional policy in Russia and EU has some principle differences. Emphases (in Russia) on development of “locomotives”, rather on crisis territories and social justice; lower supply of statistics, insufficient scientific and expert bases, the weak acquaintance with foreign experience. The Border between Europe and Asia, is not only geographical line, but also barrier between two sets of life valuables, different stage of the state development. The EU countries acknowledged its responsibility for the whole territory and population, considering space as the most important factor of the development (in connection with its deficit). The regional policy is considered, as the most important factor of EU integration. Simultaneously this is policy in respect of minority, showing degree of country civilization. The Russian regional policy in mainly react on purely political factors Any regional policy is adapted to its territory. The obvious dependency is from sizes of the territory, geographical position, natural resources, etc. In EU regional policy territory most often is the most valuable resource, in Russia – only of limited areas. The big territory promotes large projects. The principle - 'small is beautifully' is not popular in Russia and in activity of state. The latter is very critically perceived by society, thence and scales to corruptions and etc. The regional

differences in EU countries and between these countries are at the average above, than in other developed country. But they are vastly lower than in RF, where many indicators differ on order. But the main: in EU it is difficult to find the area of the feudalism, but that does not present the problem for expert on Russia. Words of R.Kipling: 'West is West, East is East...' is very popular in Russia. And question – whether they meet each other depends on Russia. Any geographer will say that Russia is the best place for such meeting. And this must be taken into account in the process of new regional policy creation in RF, and its. periodic reform in EU. If Russia wants to survive as territorially integrated country and EU countries want to avoid problems connected with periphery location creation of big Europe (from ocean to ocean) has to be among aims of both sides regional policies.

Gateway P

CREATIVE INDUSTRIES AND REGIONAL DEVELOPMENT IN KNOWLEDGE ECONOMIES: ECONOMIC TRANSFORMATION THROUGH INNOVATION: A CASE OF LIVERPOOL CITY REGION

Abdur Rab Athar, University Of Liverpool, UK

Creative industries in the UK employ around two million people, having grown at twice the rate of the economy as a whole (Creative Industries Economic Estimates, 2010). Liverpool City Region's digital and creative sector employs over 28,000 people in more than 4,500 enterprises, encompassing 13 subsectors including games development which alone generates in excess of £300 mn. annually (Merseyside Economic Review, 2010). The sector serves as the infrastructural skeleton around which all regional innovation systems have developed organically. The region has experienced a significant transformation in recent times by becoming one of the leading locations for digital and creative sector FDI projects in the North West through leading edge niche R&D excellence, presence of innovative businesses along with a skilled talent pool to potentially build greater critical mass in its science, technology and knowledge based economic functions. Fritsch & Slavtchev (2010: p. 93) emphasise how "it is plausible to assume that the ability of private sector R&D employees to produce innovative output may depend on the availability and the quality of knowledge and other innovative inputs in the region". The author aims to provide a detailed trend analysis of FDI inflows attributed to the digital and creative sector in the North West assessing the resulting cluster effect of businesses positioned around the Knowledge Quarter and Knowledge Corridor. Together, these locations comprise a crescent of two strategic regional sites with a mass of existing innovative activities. In addition, creative industry growth also assists cities in moving away from negative stereotypes through gradually reshaping their industrial structure based on three key principles of economic development – talent, tolerance & technology (Florida, 2002). The author anticipates an increased focus from economic development practitioners looking at exploring the role of creative industries in stimulating socioeconomic growth. Creative industries tend to be more dynamic and responsive to shift in demographic trends due to their people centric nature both in the case of services (advertising, architecture and design) and content (games, films, music etc.). The objective here is to assist in the development of knowledge societies through developing "people assets". This investment in "people assets" helps drive economic growth through developing "knowledge communities". These communities will serve the vital purpose of supporting if not saving "the industries of the 21st century which depend increasingly on the generation of knowledge through creativity and innovation" (Landry & Bianchini, 2005: p. 4). An essential prerequisite to access the global creative industry is to meet the knowledge threshold at the regional level. The author aims to use Liverpool City Region as a case study assessing the impact of recent developments, given that there is a clear need to shift the balance of job growth in the city region towards higher value knowledge based creative sectors and clusters. The city boasts a diverse collection of "creative assets", possible synergy among which could result in the creation of a distinctive "Digital City" offer. The author also aims to investigate key factors influencing the recent trend of SME and micro business cluster formation with fluctuating levels of employment in the regions' creative industry even though the creative sector still accounts for a significant percentage of all businesses. The paper will also include a critical review of all recent initiatives including increased university interaction with industry, government support for setting up a Business Centre Network Hub (to provide space for incubation, mentoring, networking, e-marketing along with a media access bureau) and the establishment of an Internet Exchange to lower the cost of internet access thereby raising sector attractiveness. The knowledge economy is poised to emulate the contribution of the industrial economy towards urban regeneration. However, the "knowledge industry" desperately requires a transformational campaign that facilitates "localized knowledge development" assisting regeneration practitioners to achieve their objectives. Through this paper, the author

aims to explain how the digital and creative sector has provided a platform for all members to enhance the value of their respective skill set. This would broaden participation and provide greater scope for marketing the city's "knowledge product" outside local boundaries.

Gateway D2

OLDER BUSINESS OWNERS IN RURAL AREAS: VITAL FOR RURAL ECONOMIES?

Jane Atterton, Rural Policy Centre, SAC, UK
Nicola Thompson, Newcastle University, UK

Rural areas in the UK are ageing faster than urban areas, largely as a result of the in-migration of people in older age groups and their ageing in-situ, and the out-migration of young people. Many of these older people choose to remain economically and socially active in the rural communities to which they move, including by setting up their own businesses. This reflects a general trend for more individuals in their 50s and 60s to undertake a phased transition into retirement, perhaps by taking on a new enterprise and thus becoming self-employed on a part-time or full-time basis. Previous research has suggested that older business owners are more successful than younger business owners as a result of their experience, skills and better access to financial resources. On the other hand, some older people set up new businesses as a result of financial necessity rather than choice. Drawing on data from a large-scale survey carried out in 2009, this paper explores the characteristics of older business owners (50 years old or older) in the rural North East of England. Comparing older and younger business owners in the sample, the paper particularly explores differences in the types of enterprises (i.e. different sectors or businesses of different sizes) set up, the motivations for setting up and maintaining the business, the ambitions and future plans for the business, the key constraints facing the business, and the use of business support. The paper also compares the personal characteristics of older and younger business owners. The paper aims to improve our understanding of the contribution of older people to rural economies and to inform future strategies for maximising this potential.

Gateway Q1

THE CULTURAL INDUSTRY AS AN URBAN GROWTH MACHINE; REFLECTIONS FROM OSLO

Vasilis Avdikos, Harokopio University, GREECE

The paper argues that that recent experience turn in some Northern and Western European regions is partly produced by the agony of the capital to find new ways of profitable investment and faster circuits of capital accumulation, after the rise and fall of the financial and real estate markets. The arts and entertainment industries have received big investments and these investments have also benefited the real estate industry, and cultural projects are linked with urban renewal and urban regeneration strategies. Experience appears to be a new mode of faster and ;instant; consumption and the place that experience is commodified can be seen as new loci of consumption, where the corporate sector meets the artistic and cultural qualities of place, which in turn produce a spatial added value. The paper uses the example of Oslo, where the cultural industries, and in particular the music industry, have benefited a lot by investments during the last decade. New venues were constructed, many music festivals were introduced and the local scene is supported by many local institutions, and the local music industry can be seen as a new flagship for Oslo's city branding. In order to trace Oslo's cultural development and its connection with local economic development, Oslo's music industry will be treated as a modern urban growth machine and as a local hegemonic bloc. The aim is to research the processes whereby Oslo's cultural policy and development have ;affected; the ideological values of the local music scene and music market and whether there were any resistances to that development. Simultaneously, the paper researches whether the cultural developments of the last decade have changed the local land values and the local real estate market. Moreover, the paper discusses the transformation of Oslo's collective symbolic capital and, also, issues of authenticity and autonomy of the local music scene.

THE THEORETICAL IMPORTANCE OF PUBLIC PARTICIPATION AND DELIBERATION IN REGIONAL AND LOCAL ECONOMIC DEVELOPMENT

Zoltan Bajmocy, University Of Szeged, HUNGARY

The advantages and drawbacks of public participation and deliberation have been subject to scientific and practical debates in the last few decades. However, these arguments, which have their origins mainly in sociology, political sciences and ethics, have not become an integral part of the theoretical literature of regional and local economic development. Therefore, present paper aims to link this issue directly to the economic thoughts underlying regional and local economic development. It shows that these economic concepts avoid the issue of participation only seemingly. The paper argues that beyond the well-known arguments, participation and deliberation seems to be also a theoretical necessity for economics underlying regional and local economic development. It also argues that the practical difficulty of participation can not justify its avoidance.

THE DELUSION OF STRATEGIC SPATIAL PLANNING: WHAT'S LEFT AFTER THE LABOUR GOVERNMENT'S ENGLISH REGIONAL EXPERIMENT?

Mark Baker, University Of Manchester, UK
Cecilia Wong, University Of Manchester, UK

The Blair-Brown Labour government saw various experiments to uplift regional and sub-regional spatial strategy into a more prominent position in sub-national governance but all this has been suddenly guillotined by the incoming Coalition government in 2010. Informed by the authors' reflections of their own experience of working with government officials and planning professionals in shaping strategic spatial planning over the past decade, this paper assesses the prospect for the survival of strategic spatial thinking under the new government's ethos of localism and open source planning. The paper first reflects upon some of the broader, conceptual issues relating to strategic spatial planning, before providing one of the first comprehensive accounts of what was achieved during the outgoing Labour administration, and what ultimately went wrong with the regional planning project. It identifies the conundrums surrounding the assumptions and principles of strategic spatial planning. Finally, an assessment is made of the prospects for strategic planning to survive and flourish, even under the new mantra of localism.

POLIECONOMICS OF AFRICAN CIVIL WARS: PERIOD 1950. – 2010 – MILITARY GEOGRAPHICAL DISTRIBUTION

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Civil war is now far more common than international war. Most new outbreaks of large – scale armed conflict occur within the boundaries of sovereign states and pit the government against one or more groups challenging the government's sovereignty. In this paper will be analysed 90 civil wars from polieconomical scope. This paper's main aim is how military logistic regulate war. The main mechanism to understand African civil wars, is use to Collier – Hoeffler Model (CH) of Civil War Onset. Even if the CH model predicted all cases of civil war onset perfectly, it would still not be able to tell us much about the process through which these outcomes (war or peace) are generated. By contrast, analyzing the process – the sequence of events and the interaction of variables in the CH model over time – is the comparative advantage of case study designs. In an econometric model of civil war onset, we use measurable variables to test the difference between wars in period 1950. – 2010. These military conflicts we should understand from approaches of military geography. In this case we should to choose one of the theme of military geography. This theme is economic geography of militarism. The economic geographies of militarism extend also to the defense industry, that sector engaged with the manufacture of weapons systems and other military material, and the networks and supply chains through which components

are brought together, and manufactured objects distributed nationally and globally. Boundaries and borders are an integral component of a state's geopolitical code. The legitimacy and tenure of a government depends upon its ability to maintain boundaries from external threat. The phrase, 'postcolonial Africa' is literally a reference to the continent in the period after the end of European colonialism. However, the usage of the phrase in this sense is actually inadequate, because the autonomy of African states is so circumscribed and the legacies of colonialism. In example of Africa important term is location. Location is the role a place plays in the world, or its function. The key industries and sources of employment within a place are good measure of location – whether it is a steel mill, coal mine, military base, or tourist resort. Of course, these are simplistic examples, and usually places will be a combination of different functions – perhaps complementing each other or existing together uneasily.

Gateway L

EU STRUCTURAL FUNDS FOR THE DEVELOPMENT OF ENTREPRENEURSHIP EDUCATION IN LATVIA

Rita Baltère, Daugavpils University, LATVIA

The European Union funding for implementation of the entrepreneurship education policy is managed by the Ministry of Welfare, Ministry of Economics and Ministry of Education and Science in Latvia. The Ministry of Welfare and the Ministry of Economics both contribute to promotion of employment, bringing out active-employment activities, retraining and raising qualification of the employed, the unemployed and those looking for job, non-active people, and commencing of commercial and self-employment activities. The aim of the programmes implemented by the Ministry of Economics is to facilitate entrepreneurial activity in Latvia, particularly in its regions, by improving business knowledge and skills of new entrepreneurs and by providing the necessary financial support for starting a business. The Ministry of Education and Science, among other activities, put the emphasis on elaboration of various programmes, improvement of further teacher education, development of higher and professional education, increasing of capacity of education and teaching systems in economically relevant and science and technology capacious fields. For developing of entrepreneurship education in Latvia, the financial resources of the EU Structural funds are allocated to funding particular activities. In order to deal with the issues of entrepreneurship education and development of business capacity in line with the guidelines of the Lisbon Programme and the Latvian National Development Plan, it is necessary to work out a national level government policy for managing the development of entrepreneurship education.

Gateway G1

GLOBALIZATION & REGIONAL COMPETITIVE ADVANTAGE IN KNOWLEDGE-BASED-ECONOMY

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The end of the cold war brought with it the liberalisation in trade barriers. We saw the fall of the Berlin wall, deregulation in financial markets, opening of trade between east and west leading to agreement on WTO. The introduction of internet reduced the distance between geographies. This was a new era and a paradigm shift in the way we saw the world. This was the era of globalization. The developments in ICT and liberalization in trade changed the way of doing business across boundaries. ICT enabled the management of multi national enterprises to manage distantly located units from a remote location. Reduction in tariffs and transportation costs increased the attraction of geographies with low wages for process manufacturing industries. Process manufacturing businesses started to locate themselves in locations where they could get economy of scale with low labour cost. This resulted in an influx of process manufacturing firms towards China and Eastern Europe and left the rich western nations with the choice of either reducing wages or keeping their comparative advantage by innovating new products and services and maintaining competitiveness in high-tech end of the market. Globalization has changed the way of gaining comparative advantage. Growing dependence on innovation and cutting edge technology reiterated the importance of geographies with greater capacity of innovative output. It has been observed that it is the region or geography within a region which is capacitated

with increased innovation and richer knowledge-based-economy than the nation as a whole. This phenomenon leads to the importance of the investigation into mechanisms, systems and their attributes, which improve the regional capacity of innovation and its competitive position amongst other regions not within the country but around the globe. The consistent growth in emerging economies such as India, Brazil, and especially China, has changed the economic landscape and balance of power in global economy. These countries are not only the source of cheap labour anymore, but with a growing middle class are becoming the biggest market for the most innovative products of the developed world. Considering the growth in knowledge based economy and its geographical prospective, it is becoming increasingly important for policy makers to become aware of the factors which might attract inward investment in innovative industries. There are a number of considerations which knowledge seeking enterprises have when making its locational choices. Research has shown that apart from infrastructure, financial incentives and tax laws, innovative enterprises tend to locate around high class research universities, existing cluster of related industry, a pool of skilled workers and presence of internal and external innovation networks with strong link with global networks. The Paper aims to explore the above mentioned tools for innovative regions, and will shed some light on how they play an important role in attracting innovative businesses. It will provide some insight into the role of these tools in creating regional comparative advantage in knowledge based economy, and will discuss what lessons there are for policy makers to adapt for a pro-innovation region in light of the newly shaping relationship between emerging and developed economies. The Paper contains the literature review on the topic. One hundred and five carefully selected peer reviewed journal articles were chosen for the purpose of this review. A systematic literature review methodology was adapted. After assessing the information in abstracts and introduction, fifty one articles were selected for in depth analyses. The important information abstracted and gathered from these articles and synthesised to form part of this paper.

Gateway V

SUBVERSIVE LEADERSHIP: HEGEMONY, CONTESTATION AND THE FUTURE OF REGIONS

Andrew Beer, University Of Adelaide, AUSTRALIA

Regional research and researchers in Australia have paid relatively little attention to questions of regional leadership. Academic work in this area has tended to be dominated by accounts of charismatic individual leaders and the personal capacities they may, or may not, exhibit. More attention has been paid to the question of governance in Australia and the ways in which neo-liberal policies of government seek to shift responsibility - and cost - of territorial development to individual communities. Research in Australia has not sought to understand the relationship between leadership and governance and has largely ignored the emerging international literature on place leadership. This paper draws upon the experience of two non-metropolitan communities in South Australia in order to examine these themes of governance and leadership. In both places significant social, economic and environmental challenges have been overlooked by central governments and communities have been forced to rely upon their own capacities. Under these circumstances new forms and structures of leadership have emerged which have, in some senses, challenged officially sanctioned governance structures. This paper considers the circumstances that gave rise to this emergent form of leadership and its capacity to deliver a better regional future. It discusses the ways in which governments have responded - formally and informally and the implications for regional centres and the broader Australian polity.

Gateway Australian Session

THE DRIVERS OF REGIONAL HOUSING MARKETS IN AUSTRALIA: EVIDENCE AND IMPLICATIONS FOR FUTURE GROWTH

Andrew Beer, University of Adelaide, AUSTRALIA
Selina Tually, University of Adelaide, AUSTRALIA

Over the last 30 years a substantial body of research has addressed the nature and functioning of Australia's non-metropolitan or regional housing markets. Previous investigations have noted a number of important trends, including the 'entrapment' of some low income households in declining farming areas (Econsult 1989); an on-

going crisis of housing affordability in many regional markets (Beer 1999); a shortage of investment in private rental housing (Beer 2004); the high cost of housing provision in very remote regions; the substandard stock of housing in many Indigenous communities; and, the impact amenity-led migration on coastal country towns (McKenzie 2008). This paper examines the impact of a new set of processes within Australia's non-metropolitan and metropolitan housing markets over the last decade associated with the growth of mining as a key industry. The paper argues that large scale mining development has resulted in a new set of volatilities within non metropolitan housing markets. At the same time, the nature of the labour market and taxation arrangements have resulted in the growth of Fly In/Fly Out or Drive In/Drive Out developments that have contributed to house-price inflation in the capital cities and attractive coastal locations. The paper suggests that these developments have made many regional housing markets more vulnerable by reducing the level of certainty associated with their economic base and opening them up to the vagaries of world commodity markets.

Gateway H

RESEARCHING PLACE BRANDING: THE NEW AGENDA

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Place branding is emerging as one way to operationalize the role of “identity” and “image” in territorial development. This paper attempts to summarize some of the issues that appear to be most relevant in (re)designing a research agenda on place branding, from a regional studies perspective. In fact, the first “wave” of research has been mostly explorative and descriptive essentially within a place marketing perspective and with a predominant concern about managing the translation of marketing concepts and techniques. What has been missing is – on the contrary - an original conceptual framework, so that place branding could be fully assumed as part of the toolbox of local and regional development policies. This heavily depends on the acceptance that non-material and non-economic factors have a weight in shaping economic development, while being at the same time a significant by-product of development itself. These factors include a variety of elements affecting “community satisfaction”, but also local culture, i.e. the “soft infrastructure” of shared values and mental models, which is influenced and legitimized by the “local heritage”. Reviewing the present state of the literature (cf., e.g., Ashworth and Kavaratzis, 2010) and the evidence emerging from case studies, four sets of issues emerge, with both conceptual and practical implications. First: appropriateness and objectives. In which cases is PB really needed? to which aims? Can PB be used to “push” a visionary image of a place? Can PB be used in place de-marketing strategies? Second: process. Where is PB standing within the policy processes, e.g. within strategic planning? What are the implications of shifting from a professional, technocratic, top-down approach to inclusive, participatory, political processes? Third: critical contents. A number of doubts have emerged from present practice, concerning authenticity, consistency, commodification and lack of distinctiveness etc. Are the qualities that “attract” inward tourists, investors etc. the same as those prioritized by residents? Should PB policies be designed to compete with other places or rather to cooperate as well? Fourth: effectiveness. Do PB policies really matter? How should we measure the impact of PB policies? But is it measurable after all? Are techniques relevant in determining the outcome?

Gateway J1

THE DEATH OF REGIONALISM IN ENGLAND

Gill Bentley, The University Of Birmingham, UK

To remind ourselves of Amin and Thift's observation in 1994: They said 'we see a return to the region as the basic economic, cultural and political organisation.... the resurgence of specialised and self-contained regional economies and localised systems of governance and economic regulation that will replace the era of mass production and mass consumption which was based around the national economy and the nation state'. After 12 years of having Regional Development Agencies in the United Kingdom which have been working on regional development problems and policy and our longer history of regionalism, we are being told by Eric Pickles, the Minister for Communities and Local Government that the whole concept of 'regional economies' is a non-starter and that [regions represent] arbitrary dividing lines across the country for bureaucratic convenience'.

Accordingly, the new Coalition Government in the UK has set about dismantling the whole policy and governance machinery of regional economic development, planning and regeneration, as well as other public sector bodies. This is part of the British government's 'Big Society' programme, the corollary of which is 'small government', the latter manifest in the stated intention to cut public expenditure, to rebalance the economy and the public and private sectors in order to tackle the budget deficit and secure economic growth. This agenda is also manifest in the government's drive for 'localism', of returning power to local government and communities. It argues too that towns have more in common with their neighbours than with another town in the same region but many miles away. To reflect this agenda, the government has proposed to set up Local Enterprise Partnerships. LEPs are 'joint local authority-business bodies brought forward by local authorities themselves to promote local economic development'. Equal representation is envisaged for local government and business, with the chair to be a prominent local businessperson. LEPs promise decentralisation, but it can be argued that it is more a 'centralised localism'. The paper offers a critical assessment of these developments to mark the 'Death of Regionalism in England'.

Gateway D1

WHAT MAKES PEOPLE IN SMALL RURAL VILLAGES SATISFIED? COMMUNITY SATISFACTION AS A COMPONENT OF RURAL DEVELOPMENT

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The discourse on rural development automatically implies the existence of a development goal or goals which can be achieved by programs and activities. It is supposed that there is a state which can be reached or at least a clear direction where to proceed. The definition of this goal, however, is problematic. Reduction of developmental aims to economic and demographic goals is problematic in spite of the fact that they are easy to measure. The more comprehensive developmental goals covering a wide range of natural and social conditions of a locality, aiming to capture the quality of life in the area, are usually measured only indirectly and in a complicated way. The central thesis of this paper is that the issue of community's satisfaction is a significant part of the concept of development and can become an objective of its development. In rural communities with predominantly residential function (a typical situation in the Czech Republic), community satisfaction belongs to the most important goals of local development. Furthermore, community satisfaction is one of the important 'soft' factors of endogenous development. It belongs to a group of socio-cultural development factors, which are usually analyzed as part of social capital. What are the causes of people's satisfaction with the community in which they live? Existing theories of community satisfaction refer to a number of factors that impact on community satisfaction. One of the weaknesses of empirical research, however, is the difficulty to distinguish between individual and contextual as well as subjective and objective factors of community satisfaction. The question to what extent the quality of the social and physical environment in which people live, have a significant impact on satisfaction, and especially which aspects of the environment are most important, is still open. The paper deals, therefore, with analyzing the mutual influence of individual and contextual factors on community satisfaction in 12 selected rural communities in the Czech Republic. The data were obtained by a representative survey among residents of the communities and from the available statistical registers. The study's results suggest that the difference among communities explains a small, but significant, portion of community satisfaction variance. We can distinguish which aspects of the situation in a village influence the community satisfaction most strongly. The results suggest a relatively dominant impact of the presence and quality of local services on the overall satisfaction. The results also show that there is a considerable difference between the objective conditions in the municipality which can be measured by hard statistical data and the reflection of these conditions by the citizens. It seems, therefore, important to focus in research not only on the objectively existing quantitative developmental conditions, but also on their local reflection, which is by no means straightforward, and depends apparently on long-term cultural specifics.

GRANT MACHINES, INSTEAD OF GROWTH MACHINES URBAN SHRINKAGE AND GOVERNANCE IN MID-SIZED GERMAN CITIES

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Recent discussions on urban governance often emphasize a trend towards the “entrepreneurialization” of city politics which is said to be reflected in a growing importance of local and regional scales of governance, an increased relevance of public-private partnerships and trend towards strategic plans which position localities in an environment of intensified place-competition. Building on a case study in six medium-sized German cities that are characterized by economic losses and population decline, the paper discusses different trajectories of local governance. First, it argues, that in this context national or even European, instead of local, levels of governance gain importance. Secondly, it shows that the actual local modes of governance are fairly different among the cases studied. Thereby many localities are more dependent on resources from the national government than on private investment, lending more significance to public-public than to public-private cooperation. Third, the paper argues that the ability to implement long-term local development strategies is severely complicated by a dependence on external resources. As a consequence, short-term project-orientation prevails in the majority of cases. The paper focuses on these different experiences and discusses implications for the analysis of urban governance in peripherized cities and regions.

CULTURE CRASH: ORGANISATIONAL CHANGE IN THE CULTURAL AND CREATIVE INDUSTRIES IN THE NORTH EAST OF ENGLAND

Joanna Berry, Newcastle University Business School, UK

Culture Crash: Organisational change in the cultural and creative industries in the North East of England. The growth of cultural and creative industries in the North East of England from the early 1990s was underpinned by a welfare model of state support (Cunningham et al 2008). This was combined with a view that the cultural and creative industries were central to the economic revival of the North East in a post industrial landscape. Creative and cultural organisation were given substantial subsidy as a way of pump priming strategic economic priorities. This allowed artists to produce, distribute and consume cultural goods without experiencing the underlying contradictions between their own cultural values and the encroaching imperatives of globalisation. The current downturn and the response of an incoming coalition government has created an entirely new environment. Organisations are being forced to explore new organisational forms in order to become financially sustainable. Using case studies from the North East of England this paper will examine how this is being played in three such organisations. 1. Policy environment. 2. North East Cultural Economy 3. 3 case studies (or 2) 4. Conclusions.

THE CHANGING POLITICS OF LOCAL AND REGIONAL DEVELOPMENT AND GOVERNANCE IN ROMANIA

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This paper explores the extent that a shift from a planned to market economy has change the nature and character of local and regional development and governance in Romania. Adopting a critical analysis, this paper emphasizes on the context, the process and the actors involved in regional development policies and governance in Romania through the transition (1989-1999) and accession (1990-2007) period. These issues are explored through a case study in Neamt County in the North East Region (NER) in Romania. Echoing the view that local and regional development and government articulations are politically determined from place to place and overtime, the paper pays particular attention to the models and concepts used to frame policy approaches in

Neamt County. The main argument is that the transition from the soviet inspired communism to the neo-liberal free market resulted only in 'layering' effects in Romania, in terms of local and regional development and governance. The term 'layering' or a 'change in the continuity' refers to changes of the margins without challenging the dominant and inheriting characteristics of development policies at the local and regional level in Romania. In the post-communist period, during the first stage of transition (1989-1996), local and regional development policies hardly existed within the political priorities of this period. Strong impact of the fluidity of its political situation, local development policies acquire an 'ad-hoc' character aimed at the achievement of neither growth nor equality, but the establishment and strengthening of central government's power. Thus, instead of well- or less-developed localities, the initiatives for local development targeted limited number of areas that were considered dangerous for the central post-socialist governments. During the second stage of transition, the pre-accession period (1997-2007), local and regional development policies and governance have been exposed to the influences of the EU's *acquis communautaire*. The strength of the EU requirements, combined with disequilibrium of power between the EU and the candidate member state of Romania has certainly made several changes in the way that local development policies were designed and delivered. However, the persuasion of growth remained the core element of the context of these policies, strongly affected this time by the new-liberal agenda and the global competition. As far as the process of local development and government policies is concerned, the political democratisation in the aftermath of revolution in Romania has significantly undermined by the continuing domination of ex-communist people in power and resulted to a minimal impact on the process of local and regional development policy. The design, approval and delivery of development initiatives remained the exclusive prerogative of a few people in charge, raising important issues of transparency, accountability and legitimacy. The situation seemed to be improved during the pre-accession period. The adaptation by law of the EU requirements concerning the formulation, managing and implementation of local development and governance policies has considerably changed several elements of the process of these policies. However, as the analysis regarding the implementation of the partnership principle can illustrate, most of these changes remained on the surface without challenging the core essence of these processes. Regarding the actors of these policies, either individuals or organisations, the combination of transition, Europeanisation and legacies have changed the formal only structures and institutions of the participants involved in local governance and development policies. The communist model of 'specialist' and 'experts' in issues relating to local development continued to exist, under several typical adjustments, during the transition and pre-accession periods. Moreover, the phenomenon of exclusion and being side-lined perpetuate the discrimination against certain social groups and undermine the effectiveness of local development initiatives.

Gateway W2

FROM SYNTHETIC TO NEW COMBINATORIAL KNOWLEDGE DYNAMICS: EXAMPLES FROM THE AUTOMOTIVE REGION SOUTHEAST LOWER SAXONY

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From synthetic to new combinatorial knowledge dynamics: Examples from the automotive region Southeast Lower Saxony (Volkswagen region) Author: Antje Blöcker, Social Science Research Centre Berlin (WZB), Germany Networks of innovation in the automotive industry are usually discussed within a context of company-specific production models (Boyer and Freyssenet; Jullien and Smith), national innovation systems (Porter) and varieties of capitalism (Hall/Soskice), sectoral innovation systems (Malerba), or regional innovation systems (Asheim et al.). There is, so far, little interaction between these models. With the help of territorial knowledge dynamics (TKDs), which have been deliberated within the EURODITE project for well over five years as an analytical-conceptual expansion of these approaches and as an extension to the territorial innovation model (Legendijk), there now exists a construct for bringing them together. Yet, this black box needs to be opened empirically. Within the context of EURODITE, case studies in different regions and sectors were conducted for this reason. This paper employs three examples taken from a region – the VW headquarter region – whose economic and employment infrastructure is heavily influenced by a single sector to make apparent the confluence of knowledge dynamics of companies, sectors, nations, and regions. The practical relevance is found in the speed of innovation in the global automotive industry, which has gained considerable momentum in the last decade and poses a formidable challenge to global player VW and the Southeast Lower Saxony region. Companies in the automotive value chain and other regional actors had to come to terms with increased innovation demands in the course of automotive “electronisation”, the integration of embedded automotive

software, and new chemical and biotechnological developments. These fields were not the only sources of new knowledge to be integrated: Trends in the area of powertrains regarding hybrid and electric cars and the realisation that global overcapacities demanded a search for fields of diversification led to an opening of existing processes of synthetic and cumulative knowledge generation and implementation. Global players such as Volkswagen AG, which – like many competitors – had been concentrating on core competencies during the 1990s, revamped their internal innovation systems with the establishment of interdisciplinary job families or communities of practise and opened the door for external innovators by engaging with diverse innovation networks. A first example considers the new territorial organisation of interdisciplinary and combinatorial knowledge to integrate knowledge across sectors and from outside the region. This new kind of collaboration of companies and the region for example enabled all involved actors to adapt early to the national platform for electric mobility. The second example demonstrates the practical adaptability and implementation of specific components of the new technological regime concerning electric cars in the region. It illustrates the involvement of other companies besides VW to assume a dominant role. In the third example, it is shown that regionally institutionalised industrial relations contribute to the role of new knowledge dynamics as a precondition for diversification concerning production and marketing of “combined heat and power units” outside the narrow automotive focus. In conclusion, the paper attempts to generalise insights gained from the three examples towards a conception of territorial knowledge dynamics.

Gateway S

ISSUES IN IMPLEMENTING RESULT-BASED POLICIES IN A MULTILEVEL GOVERNANCE SYSTEM - AN EMPIRICAL ASSESSMENT

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The concept of multi-level governance has emerged as a main theoretical reference for the understanding, as well as the making, of EU policy. One of the strengths of the multi-level governance model is that it is able to accommodate the variety of sub-national government forms within the EU in the development and delivery of European policy (Pierre and Stoker 2000, Morgan 2002). However, critics of the approach suggest that most governance systems exhibit some form of multi-level structure and that it is not clear what the theoretical standing of this work is (Bache and Flinders 2005). Rather than trying to see multi-level governance simply as a system of governance it may be more rewarding to regard it as an explanation of process, using the approach to explore the particular form of policy development and delivery in the EU (Healey 2007). This paper endorses the latter pragmatic approach by reviewing the main findings from the current EU Consultation on the Conclusion of the 5th Cohesion report (about Contributions of including Authorities and Organisations at different levels of governance - local, regional and national). The analysis aims at assessing similarities and differences in concerns and types of problems that are being raised by actors at different governance levels. The final goal is to reflect on the possible implications for the current EU attempt to push for result-based policies in a multi-level governance policy framework: Who's in favour? Who's against? Are there any conflicting arguments across (and within) the various governance level? And ultimately, is such a complex multi-level system meant to deliver the ambitious goals of the Europe 2020 strategy?

Gateway O2

BEYOND THE LEARNING REGION: THE SOCIAL DIMENSION OF INNOVATION NETWORKS

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In the 1990s, the learning region emerged as an attempt to marry the regional economic development and the networks and innovation literatures. The concept was strongly influenced by the idea that learning and innovation carry economic development. According to the learning region, regional networks put a premium on learning as spatial proximity facilitates the exchange of tacit knowledge, a process which is further enabled by the sharing of a social context of regional actors. On these foundations, the learning region developed as a conceptual way of thinking about regional economic development from a knowledge perspective. Learning in

this case refers to two different but ultimately related processes. In the first place it relates to networks of regional actors, such as multinational enterprises, small and medium-sized companies and knowledge centres, who are engaged in collaborative learning processes that are at the basis of (product and process) innovations to strengthen a region's competitiveness. In the second place, learning refers to the development of regional institutional capacity to support the above innovation networks. This means that regions have to develop regional innovation policies in a coordinated effort that involves regional government, intermediary organizations (such as innovation support centres and educational institutions) and the business community in order to focus a region's innovation policy on its unique combination of strengths and weaknesses. However, the learning region evoked strong and growing criticism for failing to address a number of flaws that ultimately prevented the learning region from developing into a mature analytical framework for knowledge-based regional economic development and regional innovation policy. These flaws may be summarized as follows: Conceptual ambiguity. Although the learning region aims to explain the economic development and competitiveness of regions, the key mechanism to deliver this is learning in regional networks. This led to conflating two levels of analysis, regions and networks, and posed a conceptual problem that the learning region never solved satisfactorily. Consequently, there is still no clear answer to the seemingly harmless question of what is a learning region. • Competing concepts. The learning region is actually one of many so-called Territorial Innovation Models (TIMs). The problem for the learning region is that it was not developed until the mid 1990s, while the first of the TIMs (Industrial Districts) was developed a full century earlier. Certainly in the eyes of its critics, the learning region never convincingly distinguished itself from competing TIMs, although the focus on regional innovation networks (network level) is a unique feature of the learning region compared to other TIMs. Nonetheless, the learning region made valuable contributions to the literature as well. Its most important lesson has been to identify social dynamics as a critical but largely ignored factor shaping regional learning and innovation. The learning region correctly identified regional innovation networks as the key mechanism to deliver knowledge-based regional economic development. These networks are ultimately composed of human beings, as learning ultimately is a process that takes place between individuals. The insight followed that innovation has an important social component that the literature had largely ignored. Neither mainstream economic geography nor innovation network studies have recognized the importance of the social dynamics of innovation networks to the extent that research on the learning region suggests is necessary. A new approach towards a conceptual understanding of knowledge-based regional development must focus on the social dynamics of innovation networks. Regional innovation networks are the key mechanism through which knowledge-based regional development is brought about while the social dynamics of innovation networks explain how learning and innovation in these networks actually happen. In this view, innovation networks are networks of individuals from multiple organizations who are engaged in innovation and interact with one another frequently. The social dynamics of these networks refer to, for example, trust and social capital as well as to the socio-cultural characteristics of the places in which these networks are embedded. Social dynamics importantly affect interaction within networks. Focusing on a single level of analysis (networks) avoids the conceptual difficulties that troubled the learning region, while still being open to the fact that regional networks may have national and global members in addition to regional ones. The focus on social dynamics follows from the recognition that their importance is not at all matched by their place in the literature.

Gateway T

THE ADDED VALUE OF TERRITORIAL COOPERATION

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In discussing European Territorial Cooperation, it is important to effectively illustrate its added value. Added value can often easily be shown in anecdotal form, by showcasing individual projects. The envisaged paper, however, attempts to discuss added value on a more general level based on the experience of a series of studies, evaluation and advisory services. The intention is to provide meaningful substantial input for discussion of European Territorial Cooperation and its future. The added value of territorial cooperation comprises a large number of different aspects and in fact can mean rather different things to different parties – depending upon their individual preferences and background. To structure the debate, it is important to look at: the type of territorial cooperation involved, the type of added value produced, the geographical level of the added value, how long must we wait to see the added value and how long the added value will last. Among the topics to be addressed are: • Type of cooperation – joint and common The distinguish between projects addressing (a) joint

and (b) common challenges and achievements is a key to the understanding of different types of added value. Often it is linked to the project geography. • Various types Added Value Among the particularly prominent types of added value produced by territorial cooperation in (a) new/improved networks and partnerships, and (b) various kinds of achievements. Both of these types of accomplishments can be important for the development of an area, and targeted questions are required to reveal where exactly the added value lies. For most types of cooperation, the main added value is linked to integration of the project activities or results into people's everyday working lives. • Added value at what level? The added value of territorial cooperation actions can be seen at different geographical levels. Whereas some activities deliver a clear added value at a very local or regional level, others deliver added value with regard to the development of overarching European or transnational policies. Therefore, in discussing added value, it is important to identify at which geographical level the added value is to be expected or desired. • Added value for whom? An important question is also who will actually benefit from the achievements. Experience suggests that cooperation projects have considerable impact on the working routines of the partners. In fact, the actual application of new solutions and knowledge will only have its full impact if it translates into changes to the relevant working routines. Whether and to what degree this happens is certainly only possible to judge after the fact. In addition to the project participants themselves, also other user groups can benefit, e.g. in the public administration, NGOs, the private sector or the citizens in general. • When will the added value be seen? In territorial cooperation, the added value often comes with a considerable time delay, and there may also be both short-term and long-term effects. It is therefore important to consider what can actually be seen when, and to adjust expectations accordingly. Furthermore, it is necessary to distinguish between the expected main effects and possible side effects of cooperation. Quite often, unexpected positive or negative side effects can be much stronger than the main effects of a project. Usually, the expected short-term effects are exchange of good practice, investment, infrastructure measurements and communication and dissemination activities. The long-term effects expected are: realisation of innovative technologies and methods, reduction of cultural differences, greater attractiveness of regions and better social and economic conditions for inhabitants. • How long will the added value last? A lot of people administering projects carefully plan and develop their activities but fail to consider how the results or activities will be kept alive once the funded project is finalised. Basically, funding should only be seen as temporary support and not as a continuing mechanism renewed from programme period to programme period. A crucial question, therefore, is how long the added value will remain and what happens when a funded project concludes. However, it is also true that the focus on projects and funding periods is often a major barrier for long-term developments or sustainability of networks, results and activities beyond the funded project. This is not to suggest that territorial cooperation reject the project approach, but rather that the relevant stakeholders and project partners need to think beyond the timeframe of their projects, to find a way to ensure continuity.

Gateway N

SPINOFFS AND M&A AS DRIVERS OF SPATIAL CLUSTERING: THE EVOLUTION OF THE DUTCH BANKING SECTOR IN THE PERIOD 1850-1993

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We have still little understanding of how clusters evolve, and where. While dynamic analyses of clusters hardly exist, this is especially true for spatial clustering of service industries. We take an evolutionary perspective to describe and explain why the Dutch banking cluster clustered in the Amsterdam region. This analysis is based on an unique database of all banks in the Netherlands that existed in the period 1850-1993, which were collected by the authors. We examine the extent to which spinoff dynamics, merger and acquisition activity and the location of Amsterdam had a significant effect on the survival rate of Dutch banks during the last 150 years. Doing so, we make a first step in providing an evolutionary explanation for why Amsterdam is the leading banking cluster of the Netherlands. Our analyses demonstrate, among other things, that Amsterdam banks were disproportionally active in acquiring other banks, leading to a further concentration of the banking sector in the Amsterdam region.

THE ROLE OF ESTATES IN THE RURAL ECONOMY

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Jason Beedell, University Of Lincoln, UK

Ivan Annibal, University Of Lincoln, UK

In this paper, we report on the findings of a survey of rural estates in the East Midlands region and conclude that they make a major contribution to rural economies in terms of job creation, housing provision and the diversification of rural economic activity. Moreover, employment grew on 95% of the region's estates between 2004 and 2009 and over the same period there was an 81% growth in the area of workspace that they provided. Although often perceived as traditional bastions of rural England, they were also found to be innovative around education, sustainable development, tourism and renewable energy. This research uses survey data and case study evidence to highlight the significance of the longer time horizon for business decisions and the broader sense of responsibility perceived by decision-makers working in or for these estates. Both the management approaches and the motivations behind key decisions are examined to determine the advantages and constraints associated with rural estates. Although the case studies are particularly English examples, the implications of land ownership and management approaches alongside the business priorities of organisations with vested interests in their local environments are relevant to a wider audience. Future research might contrast the roles of UK estates with those of influential rural landowners in other nations to distinguish place-specific issues from other more widely applicable findings.

THE ROLE OF OECD TERRITORIAL REVIEWS IN POLICY CONCEPTION AND (CONTEMPORARY) REGIONAL DEVELOPMENT

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In 2003 the OECD came out with the first in a series of territorial reviews on urban and metropolitan areas . Until 2010 it has been almost 20 reports on metropolitan regions and in addition to these, also many reviews of OECD countries including metropolitan regions. The OECD territorial reviews are believed to be important and there are different kinds of indications on that. Firstly, the processes of making these reports are engaging a lot of different actors and resources from OECD and, especially the regions involved who are financing the reports. Secondly, policy-makers and other decision-makers frequently read these OECD reports. In an international conference , held in Gothenburg in April 2010, where an estimated 70 policy-makers and researchers were present, more than 50 percent had read at least one OECD territorial report in the past twelve months. Thirdly, policy-makers often refer to OECD reports. According to Alasuutari & Rasimus (2009), who studied documents from national policy debates in Finland between 1991 and 2008, about 3 percent of the total amount of documents referred to OECD. A similar study in Canada (Alasuutari & Pal, 2010), between 1997 and 2009 also shows a substantial amount of references to OECD in national policy documents. During the international conference in Gothenburg 2010 the role of OECD territorial reviews on metropolitan areas was discussed among policy-makers involved in regional development. The discussion focused on a set of questions, which were believed to be exceedingly intriguing. •What are the OECD conclusions and suggestions on regional governance? • How do they correspond with contemporary practice? • Is there a specific 'OECD policy' or does the perspective in the territorial reviews only reflect the opinions in each region? Does it matter? • How has the OECD perspective on metropolitan policy developed and why? This paper will highlight these questions, by discussing: (1) the role of policy and concepts in regional development, beginning with what we know about regional policy transfer and policy learning; (2) the OECD influence on policy concepts and (3) how region (policy) concepts influence practice. The questions above are relevant to the on-going strategic development process in the Öresund region and the Stockholm region. In 2010, Stockholm did a follow-up of the OECD territorial review from 2006 and in 2011 the OECD will present a territorial review of Skåne County; situated in the Swedish part of the Öresund region. In this chapter the experiences from the development in these and other regions are compared with the development of the framework used in the OECD territorial reviews. The model used in this chapter to explain concept-driven processes was originally developed during comparative studies of transnational regionalization processes in the late 1990's (see Boye, 1997, 1999). It has,

after this, been further developed during a series of longitudinal studies of strategic processes in the Öresund region. The model builds mainly on a theoretical framework of the social institutional theory (Whitley, 1992) and the resource based theory (Wernerfelt, 1984; Barney, 1991; Grant, 1991; 1996). The general methodology used is case study (e.g. Yin, 1991; Merriam, 1998) and abductive approach, being a mix of deduction and induction (Alvesson & Sköldbberg, 1994; Boye, 1999). The model of concept-driven processes is here related to the theories of policy transfer (e.g. Stone, 1999; Dolowitz & Marsh, 1996) and policy learning (Hall, 1990), partly using a similar theoretical framework. The main perspective used focus on social construction and the role of institutional agents.

Gateway B

STAY, LEAVE OR RETURN? UNDERSTANDING WELSH GRADUATE MOBILITY

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There is increasing evidence that the geography of the knowledge economy is highly uneven. Outside of London and the South East and particularly in Wales, business drivers of the knowledge economy are relatively weak and the public sector plays the central role in knowledge-driven development. This uneven geography has profound implications such as ‘brain drains’ that undermine graduate employment and thus the potential for successful regional economic development. The resulting regional and also sub-regional and local imbalances are focusing attention on the geographical, occupational and industrial mobility issues in the knowledge economy. The existence of a ‘brain drain’ of graduate labour from Wales has long been a focus of debate. Welsh and English higher education and labour markets are interconnected (for example, Rees and Taylor, 2006) and Wales is a ‘loser’ region generating more undergraduates than it recruits recent graduates into employment (Hoare and Corver, 2009). This paper seeks to investigate the nature and scale of graduate flows to and from Wales and thus seeks to contribute to the existing literature on the relationships between human capital acquisition from higher education and migration (Faggian et al, 2007). In particular, this paper seeks to investigate the location and employment outcomes of successive ‘graduate cohorts’ since the 1992 expansion of Higher Education. It does this by augmenting the widely used graduate first destinations data produced by the Higher Education Statistics Agency with detailed analysis of Annual Population Survey data. This is important as it is recognised that the mobility of labour forces, both spatially and between jobs, occupations and employers, means that first destinations data does not represent jobs and labour markets ‘for life’ (Hoare and Corver, 2009). The analysis thus provides new insights into the returns to human capital acquisition and to our understanding of the different stages of graduate mobility. This in turn has implications for higher education and skills policy in the region and highlights important inter-relationships between the mobility of students and graduates.

Gateway Q2

INTERCOUNTY VARIABILITY OF NET MIGRATION AT OLDER AGES AS A PATH DEPENDENT PROCESS

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This paper seeks to identify factors associated with the establishment and development of rural retirement destinations. We contend that most rural retirement destinations are established and developed over time through a path dependent process. When natural amenities are commodified as recreation and tourism, durable social relationships are established and migration streams are established that ultimately result in sustained net in-migration of older persons to selected destination communities. We use county-level data from a variety of

official sources and a spatial statistics methodology to examine intercounty variability in net migration rates at ages 60-74. Our findings are consistent with the aforementioned path dependent development framework. Counties with attractive natural amenities, developed recreation and tourism industries and previous experience attracting older migrants are most likely to attract older migrants during the study period (1990-2000). These relationships persist after other demographic and socioeconomic attributes thought to be associated with net in-migration are controlled. Older in-migration is neither a panacea for cash strapped rural communities nor a “pensions and care” issue. Older migrants can be “gray gold,” but they can also pose challenges as they age in place subsequent to moving in.

Gateway D1

RURAL TRANSFORMATIONS AND RURAL POLICIES IN THE UK AND US

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This paper examines main dimensions of rural transformation in the UK and US during the last half century as well as policy responses to these social, economic and demographic changes. While both nations are highly urbanized, rural people and communities continue to contribute to economic development, social solidarity and environmental quality. The UK-US comparison is highly illustrative of how seemingly similar situations turn out to be full of complexity and difference. This paper describes and compares main dimensions of similarity and difference characterizing rural areas in the UK and US including demographic and socioeconomic transformations, economic restructuring, institutional restructuring and social and economic impacts on environment and natural resources. It then discusses institutional frameworks and public policy regimes designed to deal with the challenges and opportunities associated with these trends and changes in both countries.

Gateway M1

PROJECTIONS OF REGIONAL ECONOMIC DEVELOPMENT IN THE CONFLICT ZONE OF IRAQ

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Andrew Trigg, Open University, UK

The analysis of regional economic development in many parts of the world is predicated on a number of ex post socio-economic factors and the consequences of political changes. Examples include the aftermath of Communism in Central and Eastern Europe and the rise of the emerging economies, particularly in Asia. There has been analysis of the ‘peace dividend’ in a number of former conflict zones, or where conflict has been contained at relatively low levels. There does, however, appear to be a gap in respect of ex ante and current analysis of regions where conflict is still present. This paper attempts to partly fill this gap by analysing projections for economic growth, employment and population change in Iraq up to 2030. This paper is based on work done for the Outline Spatial Planning Strategy, undertaken by the National Planning Ministry in Iraq, to which the two paper authors contributed. The paper begins with an analysis of the spatial economic structure of Iraq in the context of its supra-national regional environment and the distribution of economic activities between its governorates (regions). It then analyses the performance of its economy in respect of conflict-off/conflict-off periods to look at comparable growth rates over time. The authors do this in order to develop three scenarios, low growth; high growth; and base case from 1995 until 2030. These scenarios are based on a series of factors, including the contribution of fixed domestic capital formation (FDCF) and the division between public and private contributions. They draw on theories, evidence and data on regional economic development to provide a contextual framework for analysis the case of Iraq. The paper then projects employment from forecasts of population by region, based up a cohort model in order to estimate employment from economically active populations. This in part relies on census data on a regional basis to provide an empirical datum. The challenge for the analysis is how to factor in the scale and degree in any peace dividend and its regional distribution, given the variability of data and evidence. This provides the challenge for the final

discussion in the paper in the sense of how the derived demand for infrastructure, housing, public amenities and welfare services is to be estimated for the national planning strategy. The degree of circularity in this exercise is addressed in the three scenarios, but the paper concludes by comparing some of the analysis carried out for the national plan with that of international institutions in order to come to some tentative conclusion about the trajectory of regional economic development in a conflict zone.

Gateway C

SPATIAL STRUCTURE AND ECONOMIC DEVELOPMENT: AN ANALYSIS ACROSS ITALIAN URBAN AREAS

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Paolo Veneri, Marche Polytechnic University, ITALY

The paper aims to explore the relationship between urban spatial structure and economic development. In particular, we focus on the polycentric spatial structure, a concept which has risen to great importance both for spatial analysis and policy. In fact, beginning from the Territorial Agenda of the European Union (1999), there are many claims about the possible benefits of polycentric spatial structures, as compared to monocentric areas and scattered development (sprawl). However, despite the increasing interest, polycentricity appears to be still a quite vague concept, both in terms of definition and welfare gains. In addition, few empirical studies have investigated the effects of polycentric development on the economy, society and environment. Firstly, the paper highlights the possible reasons of the vagueness of the concept. Then, it provides a review of the main indicators of polycentricity in urban regions, by distinguishing between polycentricity and dispersion and between morphological and functional indicators. In the later part, we investigate how urban spatial structures might influence the economic development. We take into account the 103 Italian NUTS 3 provinces as units of analysis. Being characterised by strong diversities, they provide an interesting case study. They have been ranked according to morphological and functional aspects of monocentricity/polycentricity and then they have been related to key economic variables, such as economic growth and productivity in the last decade. The results of the analysis can throw some light on the economic role of polycentric development in urban areas, allowing for a reflection about the benefits of different spatial structures.

Gateway D1

COMMUNITY COHESION IN RURAL ENGLAND: THE CASE OF RURAL CO-OPERATIVES AND THEIR POTENTIAL FOR LOCAL COMMUNITIES

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The debate concerning sustainability and growth in rural areas of the UK is attracting the attention of policymakers at both national and local levels. Little surprise, as the Commission for Rural Communities (CRC) indicates that the net migration from urban to rural areas in England in 2009 was 92,000 people (CRC, 2010). This figure reveals a renewed interest shown by people to move to the countryside. However, the CRC states that 'only if people in rural communities have ready access to local schools, local jobs, local shops and pubs and homes which are affordable will they and their children thrive, and will the nation meet its environmental and economic needs' (2010, p 28). The situation of many rural communities in the UK is not idyllic. The current economic downturn and the financial strategy based on spending cuts adopted by the government are depriving many rural areas of a number of essential services, such as post offices and libraries. The disappearance of these services has an impact on the private sector too, because it reduces the offer of services at a local level, exposing small and medium businesses operating in these areas to closure. In the light of this, small villages and rural parishes become less attractive than other places located within spatial proximity to towns and cities. A clear example of this situation is provided by the pubs operating in village and rural areas. Their number is constantly decreasing, leaving 'blackholes' in rural communities. The loss of services in rural communities put a threat in relation to the creation of social capital, social networking and economic well-being. In particular, it could have an impact on the level of community cohesion in the area, which is 'what must happen in all communities to enable different groups of people to get on well together (...). People all want to fulfil their potential and feel

that they belong and contribute to their local area' (CLG, 2008 p.10). Higher level of community cohesion and social engagement within rural communities are often at the basis of communal initiatives undertaken by group of individuals at a local level. This is the case of rural co-operatives, which may be oriented to pursue economic profits for their shareholders as well as social objectives for their communities, like social enterprises and Industrial Provident Societies (IPs). The aim of this paper is to explore and discuss the potential of co-operatives and similar forms of businesses within rural areas of the UK. By presenting original data obtained from primary research, the author examines a number of communal initiatives undertaken by rural communities for preserving their local assets, such as village pubs. In particular, the author investigates several aspects (e.g. different legal forms, the amount of investment required and the availability of financial grants and public sector support) associated with the development of such initiatives. Finally, the paper analyses how cooperatives and IPs could foster community cohesion and social engagement in rural areas, and indicates possible public sector policies and solutions in support of these activities.

Gateway A

RENEWABLE ENERGY AND SCOTTISH COMMUNITIES: HOW OWNERSHIP AND MANAGEMENT DETERMINE ECONOMIC IMPACT

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Mike Danson, The University of The West of Scotland, UK

Geoff Whittam, The University of The West of Scotland, UK

The context of this paper draws on two important contemporary trends: climate change and community ownership. At an international and UK level the concern over carbon outputs and sustainability are well known, for example through the work of the Intergovernmental Panel on Climate Change (IPCC) and the sustainable development commission (Jackson, 2009). This concern is also evident in Scotland where the devolved government has made the renewables sector an economic priority. Scotland is of interest not just because of its focus on renewable energy but also because it has seen significant developments in community land ownership (). Perhaps because of the symbolic challenge to long established feudal patterns of land ownership communities who have taken ownership of their land have received substantial amounts of interest from the media and the academic and policymaking communities (Macleod et al, 2010, Pillai, 2010, Wightman, 2010). While some have concentrated on issues of culture and status (Mackenzie, 2006) others have focused more on the economic impact of community ownership (Callaghan et al, 2010). This research has shown that one of the major sources of financial revenue in these communities is renewable energy generation. However communities which own the land and its assets only represent one type of community ownership. Others include communities which might just own an asset (for example a wind turbine) and communities which own the land but allow commercial companies to construct and manage renewable schemes in exchange for some payment. This paper examines how different forms of community ownership impact upon the type of projects chosen, the management of these projects and the level of financial resource flowing into the community from renewable energy schemes. Questions under consideration include whether and in what way different forms of asset ownership create different types of project proposal and structure, different levels of output and a different distribution of resulting revenue? Evidence is drawn from case study material gathered from communities in the Highlands and Islands of Scotland and an analysis of prospectuses for community led renewable energy proposals and associated web-based material.

Gateway G1

BUSINESS SERVICES FDI AND THE CREATION OF KNOWLEDGE-BASED ECONOMY IN THE VISEGRAD FOUR REGION

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Foreign direct investment (FDI) in the service sector is widely attributed an important role in bringing more skill-intensive activities into the Visegrád Four (V4). This region – comprising of Poland, the Czech Republic, Hungary, and Slovakia – relied heavily on FDI in manufacturing, which was often found to generate activities

with limited skill content. This contribution deconstructs the chaotic concept of ‘business services’ by analyzing the actual nature of activities stipulated by the service sector FDI related to business services offshore outsourcing into the V4. Using the knowledge-based economy as a benchmark, the paper assesses the potential of service sector outsourcing in contributing to regional competitiveness through increasing the innovative capacity. It also discusses the role of state policies towards service sector FDI. The analysis combines data obtained through 35 in-depth case studies of service sector outsourcing projects in V4 countries.. Moreover, it draws on interviews with senior employees of investment promotion agencies and publicly available data and statistics on activities within the service sector in the region. It is argued that the recent inward investments in business services in the V4 mainly utilise existing local human-capital resources, and their contribution to the development of the knowledge-based economy is limited to employment creation and demand for skilled labour.

Gateway C

REGIONAL INEQUALITIES IN GREECE: DETERMINING FACTORS, TRENDS AND PERSPECTIVES

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In Greece, regional inequalities, measured by per capita GDP, as well as a number of other indicators, have widened over time, resulting to the consolidation of a centre-periphery pattern, characterized by the augmentation of the capital region’s (Attica) size, and the widening of the gap between this region and the rest of the country’s regions. It then appears that the trend towards convergence, foreseen by the neoclassical model, but also by the New Economic Geography (NEG) models in more advanced stages of economic integration, has not been confirmed in this country’s case. Regional policy, implemented through the Community Support Frameworks, has proved inadequate to reverse the above trends. On the contrary, it seems to have encouraged the pattern of unequal development. This paper attempts to investigate the above issues, by empirically testing the impact of a number of basic determinants on regional growth (measured by the real GDP, or real per capita GDP) and regional divergence, for the period 1995/97-2007/9, for which data are available. In interpreting empirical results, factors like the deepening of European economic integration (expressed with the adoption of the common European currency in 1999), globalization and economic crises (whose nature is substantially influenced by the changing structure of the domestic economy, while they often lead to the reduction of regional inequalities) will be evaluated. Within this framework, the following questions assume tremendous importance: how could economic policy (in particular regional and rural development policy) contribute to the mitigation of the country’s polar development? How can the known in the literature equity versus efficiency dilemma be dealt with? And does the solution to the problem finally require greater or less state intervention – a more or less strong Keynesian type economic policy?

Gateway W2

KNOWLEDGE MOBILITY AND ANCHORING: PERSPECTIVES FOR REGIONAL INNOVATION POLICIES IN EUROPEAN REGIONS

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In the face of the evidence of growing knowledge mobility, this paper explores the changing nature of innovation policies required to sustain innovation networks at regional level, with a focus on European peripheral regions. Despite the potential to learn and adapt policy concepts from other regions (e.g. Lagendijk, 1999), previous work from Tödtling and Trippel (2005) stresses the limitations of best-practice policy transfer to these types of regions, namely general cluster policies or regional competitiveness poles. Moreover, in the face of the evidence that far-flung knowledge relations became pivotal in the innovation potential of these regions, many started to consider going beyond proximity-based linkage building and deployed sound efforts to complement their (often weak) innovation systems with knowledge and assets from other regions. In some situations, this provoked the beginning of economic diversification processes and signs of institutional change, opening up new development prospects. The contemporary understanding of the geographies of knowledge and innovation supports this view, namely the notion of territorial knowledge dynamics (TKD). In a context of

strong knowledge mobility, production and innovation systems are dispersed in space but form relatively stable constellations combining specialization yet integrated within multi-location systems (Crevoisier and Jeannerat (2009). Hence, a key challenge for regions is being able to use and diffuse the knowledge accessed externally, in order to attain collective benefits (Tödtling, 1999). As pointed by Giuliani (2005), absorptive capacity of local firms seems to be a necessary (but not sufficient) condition - the dynamic capacity of anchoring mobile, externally sourced knowledge also seems to require the development of localized interdependencies between firms, individuals and other organizations in order to create conducive environments for this absorption. Can a more geographically sensitive view of regional innovation based on the dynamics notions of TKD, anchoring and mobility contribute to a more nuanced design of regional innovation policies? And are there limits to it? To shed some light on these issues, we explore the case of the Portuguese Region Centro (EU convergence region) and their attempts to build a biotechnology cluster, deeply based on mobile knowledge accessed through a number of transnational entrepreneurs and international academic communities. We look into the mechanisms through which this external knowledge plugged in the region, and how the new regional knowledge dynamics induced changes at the regional and national level policy making spheres. Although there is evidence of knowledge anchoring through new favourable institutional settings (e.g. new R&D and entrepreneurship support, new organizations, and cluster initiatives, EU funded labs) the further development of this cluster through the action of global pipelines is uncertain. A difficulty may rely on the type of knowledge involved, not prone to “absorption by recombination” in the regional setting (only through spin-offs, who are still dependent on global markets and capital to grow). This indicates that anchoring mobile knowledge has limits related with the type of knowledge itself (analytical, highly mobile, codified), even when the regional and national institutions change to support it. In this context, a second difficulty may be related with the dynamic character of the pipelines itself. Pipelines generate more pipelines that may never be anchored in the region, but work through the action of a number of highly internationalized actors with limited links with the regional economic base. The paper concludes with policy implications to promote knowledge anchoring in peripheral European regions.

Gateway L

THE REGIONAL ATTRIBUTES OF FINANCIAL DEVELOPMENT: FINANCIAL POLARISATION AND BANKING SPREADS IN BRAZILIAN REGIONS

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The purpose of this study is to introduce a new conceptualisation of financial development in order to better understand the finance-growth nexus and the mechanisms that entail such relationship in the regional sphere. Our argument is that the concept of financial development is a process combining institutional development and management of liquidity preference that affects economic progress. Concentration (Marshall, 1890) and centralisation (Christaller, 1966) are two regional concepts that are specifically applied to understand local financial development. Regionalised financial systems present different degrees of local concentration that affect economies of scale in terms of volume and price of financial services. A concentrated local financial market contains a high number of financial institutions that interact more closely to local firms and agents. Likewise, centralisation of financial activity is responsible for unbalanced distribution of specialised financial services throughout the territory. High order financial places are supposed to offer highly specialised financial services in comparison to low order places in a region. Both concentration and centralisation are endogenously linked to local rates of economic growth by terms of the rising demands for financial services when flows of localised profits and income are increasing. Therefore, localised financial concentration and centralisation dictate the distribution of monetary flows within a region. Localised bursts of economic growth can rearrange the regional distribution of financial institutions and services. Consequentially, monetary flows also shift among places in the region, which changes the regional financial polarisation degree. We are hinging on Perroux's (1949) concept of economic polarisation to explain financial development. The distribution of flows is prone to be more (less) polarised in high order financial places if the region is less (more) financially developed. Therefore, a regional financial development concept takes into consideration the interrelated effects between financial polarisation, which is given by concentration and centralisation of financial activity, and local income growth. The link between the two rests on the interest rates set locally by the financial system. More specifically, financial concentration and centralisation alter the rate of regional financial polarisation, which in turn will have an effect on the charges (interest rates) over financial services throughout the places in the region. More balanced monetary flows among places in a region determine a more financially developed region.

Moreover, in financially developed regions, lower rates of interest directly affect local investment and growth. Specifically in this paper, we investigate how financial polarisation, as the main catalyst to local financial development, affects the rate of change in financial (banking) spreads. First, we discuss the appropriation of regional concepts to explain localised financial development. We then introduce these prime concepts and their relationships in a Post-Keynesian growth model in order to explain the regional finance-growth nexus. Regional investment, growth and distribution of income are studied under different regimes of regional financial polarisation. In a Perrouxian regime, financial polarisation benefits polarised places and financial development is better distributed within the region. In a Dominance regime, monetary flows are concentrated in high order places and peripheral places share less intense benefits from regional financial development. The theoretical model indicates that the institutional behaviour of banks in a specific region regarding local rates of productive profit and prices will determine the long-run rate of change in interest rates at the region. Following this theoretical approach, we move to the empirical estimation of an error correction model for banks' branches ex-post spreads in four Brazilian regions. We use monthly data from banks' balance sheets from 1994 to 2007. The Brazilian economy is a suitable investigation object, given its large territorial size and its middle-range development in terms of financial institutions (Beck et al., 2009). Preliminary results indicate that the degree of adjustment in banking spreads are faster in financially developed regions such as the State of Sao Paulo. We also show that financial polarisation plays a crucial role in determining banks' branches ex-post spreads in the regions investigated. Regional prices, however, are only weakly linked to banking spreads. The presence of public banks in the regions is closely related to lower banking spreads, which might denote specific lending strategies in these areas. Nonetheless, the presence of public banks in the most developed Brazilian region is positively correlated to spreads, which indicates that these lending policies are balanced out by gains with the volume of services and the revenues appropriated by such.

Gateway Q2

THE REGIONAL PUBLIC SPENDING FOR TOURISM IN ITALY: AN EMPIRICAL ANALYSIS

Roberto Cellini, University Of Catania, ITALY

In this paper, we analyse the effects of public spending for tourism in the twenty Italian regions. The evaluation is made possible by the availability of the databank under the project 'Conti Pubblici Territoriali' ('Regional Public Account') of the Ministry of Economic Development, wherein the spending of all public institutions is aggregated for each region, and it is also classified according to different criteria, including the sectoral criterion. We take a cross-sectional regression analysis approach, and the effects of public spending for tourism on tourism attraction are investigated. Generally speaking, the effectiveness of public spending appears to be weak.

Gateway B

BRITISH CITY REGIONS' ECONOMIES INTO RECESSION

Tony Champion, Newcastle University, UK

Within the context of theoretical and policy debates about the New Economic Geography and an urban renaissance, this paper re-examines how far and in what way 'Our cities are back', as claimed by England's Core Cities Group. It updates and extends previous work on the 1984-2007 trends in employment in aggregate and by sector experienced by the city regions of London and England's eight Core Cities (Champion and Townsend, 2010). It updates that work by extending the reference period into the latest recession, making it possible to compare the impact of this recession with that of the early 1990s. It extends it by changing the benchmark from England to Great Britain (i.e. also covering Wales and Scotland) and including Glasgow to make 10 city regions (CRs). Building on the previous study, the main focus is on post-1998 trends, examining employment change primarily in terms of three periods (1998-2002, 2002-07 and 2007-09) but including an overview of annual trends from 1998-99 to 2008-09. A new data set is also drawn on for direct comparison of the roles of the public and private sectors, while the latest situation is inferred from national data on employment and local data for unemployment up to February 2011. A major part of the findings reported in this paper is for

a three-way split of Britain: London CR, the aggregate of the 9 provincial CRs (Birmingham, Bristol, Glasgow, Leeds, Liverpool, Manchester, Newcastle upon Tyne, Nottingham and Sheffield), and the remainder of Great Britain. But comparison is also made between the 10 CRs individually. In addition, the performance of the CRs' central cities ('cores') is compared with that of the remainders of their CRs. These analyses test the extent to which the provincial CRs are now contributing to Britain's economic growth and assess how far it is their cores that are the driving force behind this and thus still warrant being the primary focus of regeneration investment. The previous work found that England's provincial CRs suffered from the early 1990s recession relatively less than London, but then recovered more slowly and, while they continued to gain jobs till 2007, their growth rate relative to the national average peaked in 1998-2002, which was also the only time that their cores outpaced the rest of their CRs. In terms of provisional findings, Great Britain's overall annual average growth rate was virtually unchanged between 1998-2002 and 2002-2007, before switching to substantial decline in 2007-09. As regards the roles of the public and private sectors, the former continued to expand from 2003 to 2009. Manufacturing and construction, however, were both undergoing decline before the main recession year of 2008-09 when they were joined, mainly temporarily, by many private services including finance, information and communications. In terms of the three-way split, both the London CR and the other 9 CRs in aggregate took a hit after 2002, the latter by a slightly greater margin, whereas growth accelerated in the non-CR remainder of Britain in 2002-07. Beyond 2007, London appears to have fared best in recession and the 9 other CRs worst, with the rest of Britain in between, though dropping from 2002-07 level as much as the 9 provincial CRs. As regards the relative performance of the CRs' cores and remainders of the CRs, it is found that the former have, in general, been relatively less exposed to job loss than their surrounding areas, though there are some individual exceptions. Looking at the separate performances of the CRs since 1998, Birmingham's average employment change 1998-2009 is the weakest, which appears to be principally due to the impacts of recession in 2007-09, though it was also the second slowest growing CR in both the previous two periods. Bristol bucks the trend by seeing actual growth in recession and indeed a modest acceleration from the previous 5-year period. After Birmingham, the poorest performances in recession are those of Liverpool and Newcastle. Glasgow, Nottingham and Sheffield are the only CRs that saw their growth rate rise after 2002, while the others saw reducing growth rates after 1998-2002 in parallel with the overall GB experience. The data available for inferring the latest situation indicates a comparative easing since the September 2009 employment data, with moderate declines in unemployment rates across Great Britain and all City Regions except Glasgow's. The paper aims to conclude with forward estimates of the exposure of Core Cities and City Regions to public sector expenditure cuts.

Gateway S

THE DOMESTIC IMPACT OF EUROPE THROUGH THE EU'S REGIONAL POLICY: ADMINISTRATIVE AND INSTITUTIONAL ADJUSTMENTS IN GREECE AND IRELAND

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The paper aims to discuss the institutional impact that the implementation of the European Union's (EU) Regional Policy had in two of the original Cohesion countries, Greece and Ireland. The implementation of the Structural Funds entails the transposition of the four principles that govern their operation in the domestic political and administrative systems of the recipient countries. The principles of partnership, additionality, programming and concentration but also the management tools that are implicit in those principles provide the regulatory framework that needs to be adopted by the member states. Nevertheless, the ways in which these principles are applied in each case differ and are highly contingent on previously existing patterns of state-society interaction. Particularly, previously existing administrative traditions and sets of political and social values provide the mediating factors through which an assessment of the institutional impact of the policy can be pursued. Following this logic, the paper develops a conceptual framework broadly based on the theories of Europeanisation and implementation in order to designate the specificities of the interaction of these mediating factors with the four principles that govern the operation of the structural funds. Essentially, it argues that the significant difficulties that Greece faced in absorbing the funds in accordance with the four principles can be explained in reference with elements that determine the country's political and administrative capacities that were largely determined before the inception of the cohesion policy. The existence of a highly centralised administrative system and low levels of social capital are two of the issues discussed in this context. In the case of Ireland there seems to have been better patterns of adjustment in accordance to the principles. This happened because of the existence of governmental structures that facilitated the integration of the four principles in the

process of the implementation of the policy. These relate with patterns of consensual political styles, higher levels of involvement from civil society actors and increased administrative effectiveness. The paper focuses on the patterns of implementation of the previous round of structural funds intervention, that of the third Community Support Framework 2000-2008.

Gateway P2

REGIONAL INNOVATION POLICY IN AUSTRALIA

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John Phillimore, John Curtin Institute of Public Policy, Curtin University, UK

The dominance of the regional innovation system concept in discussions on innovation at a sub-national level is largely based on work in Europe, but also North America and occasionally in Asia. This paper will examine how these concepts translate into a large and sparsely populated country with a few large cities, Australia, where the concept of region is both problematic and conceptualised differently than in Europe. State governments in Australia have become increasingly concerned about the promotion of innovation and the development of systems approaches, but struggle to fit European conceptualisations of regional innovation into the Australian context. The paper therefore explores the role of the region in regional innovation systems and policies and how this may be viewed in an Australian context. In particular we suggest there may be a useful distinction to be made in Australia between a federal innovation system and a regional innovation system. The regional innovation system may be defined in two ways: by the analysis of patterns of interaction among firms and other institutions from the bottom up, or by reference to a specific sub-national jurisdiction which has some responsibility for innovation policy. In Europe these two spatial approaches often coincide, with regions largely consisting of cities and their hinterlands. In a country such as Australia though there is a major disjuncture between the jurisdictions of state governments which operate comprehensive innovation policies, and 'regions' within which firms interact which are much smaller even if still large by European standards. This presents severe problems for Australian policymakers as whilst the policy tools of regional innovation policy are available to states, implementation is difficult except within the urban regions of the major cities. On the other hand promoting innovation in the remote regions of these states is problematic due to sparse populations, a lack of critical mass in local industries and the difficulty of fit with state-wide policies. In addition the national government has been trying to develop regional innovation policies in selected areas usually outside the urban centres. The very notion of 'regional' is problematic in Australia, often being used as a synonym for non-metropolitan, and there is a shifting map of so-called regions which usually but not always excludes urban areas. In some of the larger cities region is seen as a subset of the metropolitan area, although the Western Sydney region would be far more populous, but tiny geographically when compared with remote regions. The tyranny of distance in Australia applies not just to the distance from other major economies but to the internal distances, and particularly those between people and firms in some of the smaller and more remote settlements and the major urban centres. State level innovation policy has typically been focused on advanced technologies and support for universities and is typically highly focused on the development of the major cities – this is most clear in the cases of Queensland and Victoria which have been the most active states in this policy domain. Some of the other states have lagged behind in the development of innovation policies – in Western Australia for example policy has waxed and waned under different administrations but has still been largely metropolitan in nature. So what is the potential for innovation support outside the major cities and especially in the more remote areas? The current resources boom raises interesting questions for the development of regional innovation systems. Considerable investment is being made in some of the remote areas to support massive mining and resource extraction projects however these projects are tied to intra-corporate knowledge networks and the regular flows of staff between the mine sites and the cities (often on fly in fly out working contracts). There is therefore limited connection between these new sites of often highly sophisticated work and the more traditional and indigenous local industries where a different style of innovation prevails. As a result conventional analysis of regional innovation systems fits poorly with the situation in these areas. Accordingly we suggest the need to develop on the one hand the concept of a federal innovation system to represent the role of the states and their relationships with national government innovation policy, and on the other hand a new form of regional innovation system in remote areas where localised indigenous and social innovation networks coexist with nodes of global corporate networks.

CREATING REGIONAL INNOVATION NETWORKS THAT MEET REGIONAL NEEDS: THE POTENTIAL FOR HYBRID COLLABORATIVE MODELS

Susan Christopherson, Cornell University, USA

There are some critical differences between industrial district models of innovation and the primarily Anglo-American science-based research and development, intellectual property-driven model. Both involve collaboration, but in different forms and among different agents. After reviewing differences between the prevailing models, their strengths and limitations, the potential for hybrid models is examined. Hybrid models combine aspects of the dynamic short-term investment in science and technology, prevalent in Anglo-American collaborations and the more incremental innovation models represented in regional industrial networks. The Anglo-American model produces breakthrough innovations but is disconnected from regional economic development goals. The industrial district model is less volatile and embedded in regional production networks but has low capacity for productivity enhancing technological breakthrough innovations. Finding ways to combine their strengths can enhance both regionally-based production networks and innovation capacity.

DEALING WITH REGIONAL IDENTITY: REFLECTION OF CHANGING REGIONS IN CZECHIA DURING THE POST-INDUSTRIAL AND POST-TOTALITARIAN PERIODS

Pavel Chromý, Charles University In Prague, CZECH REPUBLIC

In recent decades, the development of the world in general and of Europe in particular has been characterised by a series of opposing global and regional processes. On the one hand, we are witnesses to the strengthening tendencies towards globalisation, which in fact support, or enforce, processes of integration, especially at the supranational level. On the other hand, globalisation brings with it a loss of orientation, insecurity, refusal to centralise and, as a consequence, also an emphasis on the unique. Thus it activates tendencies towards the fragmentation of territorial societies as well. During the 1990s, in connection with the post-totalitarian transformation, which resulted from the fall of its communist regime at the end of the 1980s, Czechia's territory experienced escalation of vertical (societal) as well as horizontal (regional) differences. Geographers were presented with new research questions. These included not only the identification of key problems and mechanisms, which contribute to change in regional differentiation, but also to the systematic evaluation of the entire system of current processes of change and their mutual as well as often opposing forces. This is happening in connection with each territory or region's own regional development and in relationships with the changing priorities of regional policy as well as in the context of changing theoretical-methodological approaches to the study of regions. The increase in territorial differentiation of regional development conditions, which affected especially peripheral, problematic, stagnating or declining regions, is now accompanied by the revival of regionalism, meaning ideas and movements aimed at utilising a territory's internal potential to support its future development. Such ideas and movements often include provincialism and non-critical regional and local patriotism. The paper focuses on driving forces behind the formation of regional identity in Czechia. General questions regarding regional identity and the development of conditions for its formation during the twentieth century are discussed. With an emphasis on the societal changes, which occurred in Czechia after the fall of the communist regime in 1989, special attention is given primarily to changes in the territorial organisation of public administration and the impacts of those changes on the regional identity of residents. Territorial identity conflicts in the sense of barriers to the future development of regions at various scale levels are discussed. The typology of Czech regions according to the undertaken process of their regional identity formation is presented: (i) regions that have gained sovereignty and identity forming has followed; (ii) regions with "traditional" regional identity that have not gained full sovereignty and their institutionalization has not been completed (no administrative functions etc.); (iii) regions with "lost" identity which have lost identity holders (local people); (iv) regions "seeking" identity, partly or purposely institutionalised. The answers on following questions are searched for: How can regional identity in Czechia be defined? What are its manifestations? How and why (under what conditions) does regional identity change? Is there a relationship between change in the regional organisation of society and changes in the relationship of residents to the regions in which they live? Is it possible to identify territories within Czechia in which conflicts concerning territorial

identity are occurring, at the present time? What is the impact of a particular conflict(s) over territorial identity on the future development of certain region(s)?

Gateway F

COMPARATIVE ANALYSIS OF REGIONAL ASYMMETRIES OF THE EU EASTERN PERIPHERY (ON THE EXAMPLE OF RUSSIA AND UKRAINE)

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Oleksandr Fedirko, Kyiv National University Of Economics, UKRAINE

Rapid transformation changes, which took place on the European continent during the last twenty years, considerably amplified the divergence of internal regions development, especially in the East-European states. This caused quite contradictory consequences. On the one hand, the divergences between the central regions and the peripheral ones increased, reflecting general international trends. On the other hand, the new contours of regional asymmetries appeared, separating since then the bordering regions of the neighboring countries. These changes may be captured by analyzing the set of following indicators: indexes of business activity; FDI flows; unemployment rates; household incomes etc. Authors employed the level of asymmetries, calculated on the base of Gross Regional Product per capita for NUTS-2 regions, as the main systemic indicator to uncover the character of regional economic dynamics. The research of the dynamics of this indicator allowed to identify a variety of changes hereinafter mentioned: - the emergence of the first contour of asymmetries between the bordering regions of CEES and the EU on the beginning of the 1990s; - the emergence of the second contour of asymmetries between the new Central-East European states (the new EU-members) on the one hand and the former Soviet Union states (the Russian Federation, Ukraine, Belarus, Moldova) on the other one. The same is true for the former republics of Yugoslavia in 2004-2007. According to the authors' research, the level of asymmetries between the countries of the second group shows the trend towards fluctuations, which are most clearly visible on the border between the Russian Federation on the one side and Finland, Estonia, Latvia and Poland on the other one, as well as between the Ukraine on the one side and Poland, Slovakia, Hungary, Romania on the other one. The main factors affecting the change of asymmetry contours dispositions are the following: –functioning of the complimentary model of financing of depressive regions by the EU funds; – restricted volumes of financing by the federal (national) budget allocated to the local (regional) budgets in Ukraine and Russian Federation, often limited only to granting subsidies and subventions; – better conditions for attracting foreign investment in the regions of the EU Eastern peripheral zone; – high level of international as well as interregional human mobility; – synergism in the realization of the EU structural policies; – development of local cooperation in the EU; – developing new instruments and mechanisms of regional cohesion comparable to those in the EU; – foundation of the first euro-regions on the borders of the Russian Federation and Ukraine; – establishment of innovative production sites in the bordering regions and the increase of innovative clusterization in selected areas.

Gateway P

CREATIVE KNOWLEDGE WORKERS ACROSS VARIETIES OF CAPITALISM EVIDENCE FROM SWEDEN AND THE UK

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Høgne Kalsø Hansen, Circle University, SWEDEN

Research on the knowledge economy has in recent years focused upon the interplay between place, individuals and creativity. National differences of how capitalism is organised can be drawn into this discussion, but are seldom tested systematically. By investigating data from the UK as a Liberal Market Economy and Sweden as a Coordinated Market Economy, we develop and test 8 hypotheses to analyse the role of 'varieties of capitalism' in the context of location dynamics of creative knowledge workers. Based on these results we discuss the robustness of the VoC approach as a valid taxonomy of differing political economies and by implication the differing economic geographies of the creative class. Overview The idea that place is the key organising factor of economic activity within the knowledge economy has gained interest in recent years; much of this focus has

been upon the actual location of knowledge generation and spillovers (Abramovsky et al, 2007), or alternatively firms' use of networks and cross-locality knowledge sourcing strategies (e.g. Gertler, 2003; Bathelt et al, 2004; Pickernell et al 2009; Clifton et al, 2010). The other strand of research emerging over the last decade has been the role of knowledge embodied in mobile individuals- in essence the potential flow of human capital rather than the more traditional view of this as a stock or endowment. Authors such as Faggian and McCann (2009) have analysed human capital mobility with specific regard to university graduates, but much of the wider debate around the role of place in the location of knowledge workers has been centred on Richard Florida's theory of the creative class of (Florida, 2002a). This essentially argues that economic outcomes are tied to the underlying conditions that facilitate creativity and diversity. Thus the ability to attract creative people and promote creativity and to be open to diverse groups of people of different ethnic, racial and lifestyle groups is hypothesised to provide distinct advantages to regions in generating innovations, growing and attracting high-technology industries, and spurring economic growth. Significantly, the pioneering work of Florida and his associates (Gertler et al, 2002) has been undertaken with reference to the United States, as has other related research (see for example Markusen, 2006; McGranahan and Wojan, 2007; Wojan et al, 2007). There is however growing empirical evidence that the European context does have implications for the trans-national application of the creative class thesis (Clifton, 2008; Andersen et al 2010a; Andersen et al 2010b; Boschma and Frisch, 2009; Hansen and Niedomysl, 2009; Asheim, 2009; Martin-Brelot et al, 2010). This research has though been somewhat disparate in its focus, typically dealing with one national context only, a single coherent group (such as 'the Nordics'), or comparative in approach but not underpinned by any coherent model of differing national economic structures. Therefore we suggest that an analysis of the location of these creative knowledge workers (and the factors influencing it) using a more general socio-political framework is timely. As such, in this paper we apply the varieties of capitalism (VoC) model (Hall and Soskice, 2001) to this growing research area- i.e. that of the creative class hypothesis (Florida, 2002a; 2005). The paper fleshes out a research agenda put forward by Asheim (2009) and Clifton and Cooke (2009), and in turn seeks to provide insight into the robustness of the VoC approach as a valid taxonomy of differing political economies and by implication the differing economic geographies of the creative class. This is done through analysis of a comprehensive dataset from the UK (as a Liberal Market Economy or LME), and Sweden (as a Coordinated Market Economy CME). This dataset includes variables such as levels of creative class employment, 'bohemian' occupations, diversity, and other measures of quality of place. The investigation centres around the question of how the distribution of creative activities varies between LMEs and CMEs- are there differing levels of support for the jobs follow talent hypothesis between these? For example, do the quality of place factors suggested by Florida and others to be attractive to the creative class vary in their importance across different economic systems? Other questions include whether there might more generally be an impact on the distribution of regional growth i.e. do the higher levels of social security in the coordinated Nordic economies (compared with the US and UK), combined with smaller regional labour markets reduce potential mobility and adjustment? Finally, we consider the policy implications that may be inferred from the above and discuss the influence that urban hierarchies can have on the relationship between the creative class and regional development.

Gateway J2

THE GOVERNANCE OF A SHRINKING CITY: A FOCUS ON HOUSING IN LIVERPOOL, UK

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This paper is concerned with modes of governance in the context of shrinking cities. It focuses on the case of housing renewal in the Liverpool City Region, UK, and aims to draw wider lessons from the governance response to population loss in the area. The governance of housing renewal in the city region is currently undergoing a major transition as a result of changes in the external frameworks within which it operates. Primarily, these frameworks are the national economy and a recent change in national government administration. The paper charts a collapse in the stability of governance arrangements over a five year period, and through this seeks to demonstrate the dependence of local authorities on external frameworks in dealing with shrinkage. An analysis is also provided of the 'modes of governance' in the city region, according to the Di Gatano and Strom typology (2003). This allows a more in-depth consideration of the local governing arrangements and a basis for more direct comparison with other international cases. Finally, the article asks what is next for the city region. How will the governance of housing renewal look in the next five years, and will the current changes affect the area's ability to respond to shrinkage and its consequences?

LIGHTS, CAMERA, ACTION: THE EMERGENCE OF A TELEVISION PRODUCTION CLUSTER ON IRELAND'S WEST COAST

Patrick Collins, Centre For Innovation & Structural Change, IRELAND

This paper marks an initial attempt to better understand the emergence of a cluster of audio visual firms in the rural micro region of Indreabhán in County Galway. The investment by Hollywood producers Roger Corman and the establishment of Ireland's fourth television channel are seen as two growth poles that have spurred the growth of 40 supporting firms, and thereby changing the social and economic make up of the region. The paper places the cluster both in the national context of TV and film production as well as recent writings concerning the development effects of creative industries. Irish policy makers have been slow to recognise the potential of cultural economic production; this case study sets out to ground newly emerging policy concepts in the reality of economic survival on the west coast of the country.

THE ROLE OF NETWORKS IN THE CREATIVE ECONOMY

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Since the early literature on the creative economy and in particular on the work of artists and creative practitioners the importance of networks was strongly advocated. Any creative product that reaches our markets is ultimately the result of a collaborative effort between not only different creative skills and jobs but also between creative industries and the commercial and larger business sector. These early insights came back in the literature and in contemporary research in different ways. Networks are not only looked at as part of the creative ecology and provide more explanatory power than supply-chain approaches, but they can provide a different picture when trying to address issues such as the role of localities and regional production systems in the creative economy. The paper builds on the large body of literature highlighting the importance of networks and networking in the creative economy. It expands and explore this issue adopting a micro-scale prospective, centered around the role practice and experiences of creative practitioners. It adopts a mix-method approach, integrating social network analysis with qualitative data. In the recent literature, social network analysis has allowed researchers to unfold some of the hidden dynamics in the creative economy. For example, social network analysis can map the interconnections, which are often not only an economic transaction but a casual knowledge sharing or informal collaborations. In particular, in a sector like the creative economy, where small companies and freelance workers work alongside large corporations and where the commercial sector thrives with interconnection with the public cultural sector and the numerous not for profit organizations, mapping and understanding social network dynamics can reveal a very complex picture. Using the case study of the North-East of England, the paper tries to systematize some of the key dynamics emerging from networks such as the role of networks as means to access the market alongside the importance of networks as form a professional development.

LOCAL INFLUENCES ON SENSE OF PLACE: PEOPLE AND THEIR ENVIRONMENT

Mike Coombes, CURDS Newcastle University, UK

Local influences on sense of place: people and their environment Mike Coombes & David Bradley This paper considers evidence for the view that aspects of the local built environment, and the way different people respond to it, affects the strength of people's sense of place. The link is seen as being through the impact of the environment on people's local identity. A sense of place may be defined in part as identification with an area. This paper reports on research that collected robust evidence on aspects of the local built environment – especially how historic it is – and the feelings of local people to their environment, and to their locality more generally. Analyses of the survey data included use of advanced geo-statistical techniques which produced

measures of the historic built environment in every neighbourhood of England. The attitudes of people to the places where they live and their sense of place and social capital are shaped by a wide range of personal, social and environmental factors. Statistical modelling separated out the effect of various factors on people's attitudes, with the focus on a measure of the strength of sense of place (SP). A fairly strong model finds a positive relationship between SP level and living in an area with a more historic built environment (for adults, but not for teenagers). A separate and important influence was found being more interested in the local environment generally, as shown by the person having cited at least one local building as special or unique. Although it is possible for a very strong sense of place to have less positive consequences, there are more references in the literature to such rootedness working along with higher levels of social capital to support beneficial outcomes. If time permits, the presentation will also outline some follow-on work with teenagers, in which they are provided with GPS-enabled cameras so they can take photographs of local buildings and places that they see as important to themselves and/or their local areas.

Gateway D3

TAKING A FRESH LOOK AT RURAL EUROPE: AN INTRODUCTION TO THE EDORA PROJECT

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The starting point of the EDORA project is the recognition that, rather than becoming more uniform in character, rural Europe is, in many ways, becoming increasingly diverse. This diversity implies both new challenges and changing opportunities. The overarching aim of the project is to examine the process of differentiation, in order to better understand how EU policy can enable rural areas to build upon their specific potentials to achieve “smart, sustainable and inclusive growth.” As a first step it is very important that we have a clear picture of rural Europe and its various development potentials, at the beginning of the 21st century. The project emphasises the importance of looking beyond the “agrarian” for that potential, since in many rural areas secondary and tertiary activities already play a very important role in the local economy. The first phase of the project consisted of a literature review in order to establish a conceptual framework for subsequent empirical analysis, and as a basis for a policy rationale. Nine different fields of literature were presented in thematic papers. The literature review identified a very wide range of aspects of contemporary rural change. In order to manage this complexity, and so that it could be communicated simply and clearly, three “meta narratives” of rural change were devised. The first of these tied together a range of ways in which farming and other land based industries are evolving, the second showed how relationships between urban and rural areas and between remote and accessible areas are changing, and the third considered the many and various effects of globalisation. In the second phase the evidence base for rural change was explored, both in terms of large scale patterns, based upon regional data, and local processes. The macro-scale patterns were addressed by three typologies, based on indicators of Rurality/Accessibility, Economic Restructuring and Performance. Summary profiles of the rural regions within each of 30 countries of the “ESPON space”, structured according to the three typologies, were also produced. These were complemented at a micro-level by in-depth studies of 12 exemplar regions, reflecting a wide range of types and contexts. The third phase explored policy implications of the conceptual and empirical phases. The EDORA findings support three broad propositions about rural differentiation and change which have the potential to form the foundation for a coherent policy rationale: A. That in a globalised world, in which various kinds of “non-Euclidian” space are becoming increasingly important as arenas for economic and social activity, intangible assets will increasingly become the key to enabling each rural region to fulfil its potential. B. Also as a consequence of globalisation, processes of change which affect rural areas (i.e. the meta-narratives) may be considered exogenous, and common throughout much of the ESPON space. The observed increase in rural differentiation is thus primarily a consequence of local or regional differences in the capacity of regions, (or rather of their people and businesses) to respond to the challenges or opportunities which are presented to them. C. That the capacity to respond may be divided into two components, according to the geographical scale at which they vary: (i) Some exhibit broad macro-scale patterns of differentiation. These reflect the fact that the meta-narratives have different impacts in different types of rural area. These patterns may be to some extent captured by regional indicators, and typologies. (ii) Others, particularly the intangible assets, seem to vary in an ‘aspatial’ way, which can only be captured on a region-by-region (or locality) basis, by some form of qualitative auditing. Clearly these propositions point towards neo-endogenous approaches, in which a “bottom up” process of regional programme design is fully supported and guided by available (hard/standardised/comparable) information, expert advice, and the kind of strategic perspective which is best assembled at a central level. The EDORA findings are thus supportive of the “place

based” approaches advocated by the Barca Report. This paper will present the key findings of the EDORA project as an evidence-based rationale for territorial cohesion policy for rural areas. The meta-narratives, the typologies, and the exemplar region analyses are key components, forming a sequence of logical steps which all point towards a two-stage neo-endogenous approach in which both macro-scale and micro/aspatial socio-economic differentiation are addressed. An important feature of the recommended approach is an emphasis upon intangible assets, as a recognition of the increasing importance to development of a capability to interact effectively in non-Euclidean network space.

Gateway C

A NEW PROPOSAL FOR MEASURING MARGINALIZATION IN MEXICO OVER TIME: A FACTOR ANALYSIS APPROACH

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The marginalization index has been designed and applied by the National Population Council (CONAPO, in Spanish) in México. This index is calculated using Principal Component Analysis (PCA) and it is based on nine variables; according with this method both, the original variables and the PCA-index, are standardized. Furthermore CONAPO generates five marginalization categories based on Dalenius Hodges (1959) method. The index makes possible to rank administrative units at lower levels at a given year but using this approach it is not possible to use this index over time. Spite this fact, sometimes this index has been used to respond the question of improvement over time of the municipality X. The fundamental reason that this index is not an appropriate method to warrantee and adequate interpretation to study marginalization from a longitudinal perspective, is the fact that CONAPO uses the PCA-index (a standardized measure). The way the PCA-index is used conducts to paradoxical situations where all administrative units (states, wards, municipalities, locations) decreased or increase in absolute terms but the index remains the same. On the other hand, for example, if improvements in some municipalities occur then the index should change as well; but actually the observed changes are relative to a given year. For example, if the municipality X jumps from a low to higher position in marginalization category it does not mean that this unit worsened in absolute terms, it means only that the municipality X has improved at a lower lever relative to others. This work presents the results of a proposal methodology to construct a new marginalization index that is sensitive to evolution of marginalization over time, but constrained to be close to the previous work done the federal agency CONAPO. This means that the index should be highly correlated to the one generated by CONAPO but allow us to study the evolution of marginalization in México over time; this property will let us contrast the new categories of marginalization based on the new index. Current CONAPO index measures the concept of “marginalization”, which is defined as the difficulties of “propagation the technical progress over all productive sectors and it is expressed socially as the persistent inequality of participation of its citizens and social groups on the development and enjoyment of its benefits” of Mexicans (Conapo/Progres, 1998:17). Data is originated from census information from all years ended in zero and from intermediates counting census in years ended with five, starting from 1995; this data is provided by the National Institute of Statistics and Geography (INEGI, in Spanish). ACP-index has played an important role in public policy due to the fact that all states use it for supporting municipalities and to distribute federal resources throughout the country (Cruz, 2003). In this way, the index is used for economic and social policy. However, the major concern is the inability of using this index in a longitudinal study or marginalization in such a way that each municipality could be studied over time. The current research is oriented to overcome this problem. First a factorial approach is proposed, where the scores obtained use the longitudinal invariance property. The invariance property suggests that all scores have a similar structure across the four measurement occasions, allowing the factor loadings to have a similar structure. Therefore the scores can be compared longitudinally and they no longer are standardized. The results show that the factorial and principal component scores are highly correlated. In addition, both scores generate similar stratification categories (from lowest to highest marginalization categories). The major advantage is that new factor scores can be used to compare each municipality over time. Finally, the scores from each municipality are compared and some municipalities are selected to demonstrate the advantages of this new index. The conclusion of this research is to present a general evaluation of the idea to replace CONAPO marginalization index for the one proposed in this work.

PROXIMITY AND DISTANCE IN KNOWLEDGE RELATIONS: FROM MICRO TO STRUCTURAL CONSIDERATIONS BASED ON TERRITORIAL KNOWLEDGE DYNAMICS

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For decades, theoretical as well as econometrics and fieldwork based empirical analysis has recognized that distance matters for economic coordination, in particular when coordination concerns innovation activities. The dominant thought argues that the decrease of distance increases efficiency in knowledge relations so that agglomerations are well-suited to increase the innovation rate, and policy platforms favouring clustering processes have dominated the regional policy during this period. Nevertheless, recent researches have shown that under specific conditions, geographical proximity between organizations can slow down innovation or at least exhibit ambivalent effects on it (Breschi, Lissoni, 2001; Boschma, 2005; Vicente, Suire, 2007). Adopting an analytical perspective based on Territorial Knowledge Dynamics (TKDs) invites to change the focus, and to see between proximity and distant knowledge relations more a complementarity than an antagonism. Relational knowledge processes imply organizations that combine proximity and distant knowledge according to specific tasks and position in the knowledge value chain. If it is undeniable that geography matters for innovation, ambivalence between proximity and distance in knowledge relations have to be highlighted in order to have a better understanding on why some regions succeed when others decline (Suire, Vicente, 2009). Indeed, the basic idea is that this understanding requires to mix the micro- economic aspects of knowledge processes with the structural features of regional systems and to study the feedbacks between them. These particular properties are hence suited for the study of the performance of regional innovation systems and their embeddedness in the global knowledge economy. Using the empirical material of the TKD-case studies achieved in the EUROTITE project, this contribution portrays an extensive view of proximity and distant knowledge relations from the micro-motives for organizations to form these relations along the knowledge value chain, to the structural properties of the TKDs which results from the aggregation of these relations. The first part of the paper will be dedicated to the micro-motives for organizations to form proximity and distant knowledge relations. In particular, these motives depend on traditional aspects of industrial organization and location theories, but also on essential parameters concerning the knowledge trade-off (Antonelli, 2007) and the complex knowledge value chain that typifies modern knowledge processes (Cooke, 2006). The second part will focus on the structural level of analysis. Using basic principles of social network analysis (Wasserman, Faust, 1994), this section will propose to deal with the question of how the identified relations give rise to particular regional structures and how these structures can be interpreted and classified in order to build categories of TKDs that corresponds to particular features in terms of relational density, related and unrelated variety (Asheim, Boschman Cooke, 2007), knowledge accessibility and global embeddedness (Vicente, Balland, Brossard, 2010). The third part tests the findings using the material of TKDs-case studies. We will show that the analysis of TKDs according to the interplay between micromotives and structural dimensions of knowledge relations leads to propose new ways for the understanding of the position of some particular places in the knowledge economy. In particular, we will classify these places according to their position in the global knowledge value chain of the knowledge domain in which they operate, the multi-scalar degree of knowledge dynamics, and the viability of the combinatorial knowledge processes at work (Crevoisier, Jeannerat, 2009). Finally, we will conclude with some basic policy implications. Indeed, the “connecting people” idea needs to be re-evaluated since the density of knowledge relations in regional innovation systems is not the panacea of the regional performance in knowledge society, and can be, in an extreme case, under efficient. Thinking about regional performance in knowledge society requires first to have a diagnostic for each region that highlights their structural properties and their organizational ecology at a time *t*. From these diagnostics, different situations should occur, some of them necessitating a particular “surgical” intervention on “missing links” instead of general interventions based on relational incentives.

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The main idea of this paper is that different regions have different capacities to anchor today's mobile knowledge. In order to give an account of those differences, we develop the concept of anchoring milieu, which can be defined as a set of local players (firms, authorities, research and training institutions,...) who interact locally and with distant and/or mobile players in order to develop ever more advanced analytical knowledge, ever more specific symbolic knowledge or ever more efficient synthetic knowledge on the basis of competition/cooperation institutions. Traditionally, in the TIMs literature, knowledge is approach thanks to Nonaka and Takeuchi's (1995) distinction between codified and tacit knowledge, with the idea that codified knowledge is mobile whereas tacit knowledge "sticks" to localities. Some authors (See for instance Cooke 2008, Bathelt et al. 2004) already criticised this view, saying that tacit and codified knowledge are both necessary in order to understand how knowledge develops through time and space, but they did not proposed any alternative conceptualisation. This paper proposes a distinction between on the one hand substantive, controlled knowledge which provides incomes thanks to the exclusivity in the production of certain goods and services, and on the other hand significant, shared knowledge which provides income on the basis of its diffusion, its acknowledgment. On the basis of this distinction and thanks to the material provided by the EURODITE research, the paper develops four types of anchoring milieus: The traditional industrial and tourism milieus appropriate devices and concepts developed elsewhere and imitate them in diverging, evolving models; the science park and cultural industries milieus pick up ideas developed elsewhere and anchors them into functional, stabilised, IP protected devices, brands and concepts; the "buzzing" milieus capture ideas from elsewhere and continuously develops them into new ones; finally, the milieus where firms predominate and buy, improve and sell knowledge thanks to the local resources in terms of labour force and research facilities.

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Fabiana Santos, Center For Regional Development And Planning, BRAZIL

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The discussion about bank's behavior carried out by economists has been dominated by micro and macroeconomics aspects of there functioning like the degree of competition, the features of regulation, the macroeconomic conditions, among others. One special characteristic of these studies has been the lack of spatial concerns. It looks like that banks floats over space. This scenario has been challenged by a minority of papers that argued that the economic conditions of the markets where banks operate underlay the difference in bank's performance (Meyer and Yeager 2001, Yeager 2004, Emmons et al. 2004, Furlong and Kreiner 2007, Daly et al. 2008). Others, had investigated the effects of the distance between branches and headquarters (Alessandrini and his associates 2007, 2009 and Carling and Lundenberg 2005). All these literature reviewed has a common theoretical basis. Their findings were derived from some form of market failure, being the most important asymmetric information and transaction costs. These types of market failure are assumed to be the ones that explain credit constrains in less developed regions. Although the roots of regional income differences may be found in structural factors, monetary variables may account for maintaining and amplifying such differences when a different approach, in which money and banking are always non – neutral, is adopted. The Post-Keynesian literature on regional economics works according to this approach. For the post-Keynesians, money is not exogenous and enters into the economic system through credit supplied by the banking system in response to demand. Thus, instead of determining the general price level, credit allows the validation of investment, thereby making money an integral and non-neutral part of the economic process. For these authors, the supply of and demand for credit are interdependent and affected by liquidity preference, linked to the expectations of economic agents in an uncertain environment. From the viewpoint of the banking system, a high liquidity preference will negatively affect its willingness to lend money in the region, as it reflects pessimistic or less reliable expectations of its economic performance. It is important to remark that what is central to this paper is the understanding that the this framework admits the possibility that banks (or their branches) undertake

differentiated strategies across the territory. By the use of a unique data set of the banking system in Brazil, which has been built in the last six years, the paper aims to compare the relationship between different spatial dimensions (administrative region; urban scale and centrality of financial system) and the strategies of the bank branches. We use data on balance-sheets of banks compiled by the Laboratory of Studies on Money and Territory-LEMTe, at the Centre for Regional Development and Planning-Federal University of Minas Gerais (CEDEPLAR/UFMG). The primary source of this data is the System of Accounting Information of Financial System-SISBACEN, from the Brazilian Central Bank. This system makes mandatory to all bank branches to supply the Central Bank with balance-sheet information of monthly operations. The Central Bank publishes the data, aggregated by municipality. The LEMTe organised the information for the period between 1988 and 2008 for all Brazilian municipalities. Nineteen indicators were used in the paper and they could be grouping into 4 categories: asset management; liability management; financial development and financial exclusion. These indicators are calculated for each spatial dimension studied in the paper: administrative; size of cities and centrality of financial system. Then we use principal components analysis to identify a small number of factors that explain most of the variance observed in our set of observed variables, identifying a pattern of correlations within it. Based on these analysis we find that bank's branch behavior are more distinctive when the analysis are made aggregating them by the urban scale and centrality of financial system than by administrative regions.

Gateway G1

MOBILE INVESTMENT PROJECTS AND THE PERIPHERY OF OLD EUROPE REVISITED: AN INVESTIGATION OF OFFSHORE SERVICES FDI IN NORTHERN IRELAND SINCE THE LATE 1990S

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The interactions between multinational enterprises and 'host' regional economies have been a longstanding concern for academic researchers and policy-makers. The last decade has witnessed dramatic changes in the European and global economies, such as the deepening of regional trading blocs, further liberalisation of the world trade and investment regime, eastern expansion of the European Union, the rise of China, India and other emerging economies, and the global financial crisis. Similarly, there have been major changes in the corporate world, including the globalisation of supply chains, vertical disintegration of large firms, value chain fragmentation, and the 'global shift in services' (including offshoring). These trends have attracted significant attention from scholars in business and management studies and regional studies/economic geography. Peripheral regions of 'old Europe' – which were a major focus for research on the regional impacts of multinationals and inward investment during the 1980s and 1990s - are likely to have been profoundly affected by the various changes noted above but there seems to be a paucity of studies on this question. To address this perceived gap in the literature, this paper examines the recent experiences of Northern Ireland, one peripheral region of 'old Europe', in relation to multinational corporate networks and the competition for mobile investment, with a specific focus on offshore services FDI since the late 1990s. The paper explores the nature, quality and stability of the services FDI attracted to Northern Ireland over this period. In doing so, it aims to assess the competitive position and prospects of Europe's north-western periphery in the context of evolving corporate networks and to gain a better understanding of the role played by such places within contemporary international and intra-corporate divisions of labour. Empirical evidence in the paper comes from longitudinal case studies of some of the leading service-sector inward investors in Northern Ireland, including software development centres, contact centres, back offices and consultancy branch offices. These case studies are built from an array of secondary data sources and from interviews with subsidiary managers. Implicit in the research design is the notion of 'studying regions by studying firms' (Markusen, 1994). Analysis of the cases is guided by existing theoretical frameworks and concepts from business and management studies (e.g. Dunning's OLI framework and Birkinshaw's work on multinational subsidiary evolution) as well as complementary theories from other disciplines (e.g. recent work on global value chains and global production networks).

CHALLENGES FOR POLISH AGRICULTURAL REGIONS - EVIDENCES FROM ESPON EDORA PROJECT**Konrad Czapiewski, Polish Academy Of Sciences, POLAND****Marcin Mazur, Polish Academy Of Sciences, POLAND**

The over-arching aim of the ESPON EDORA project was to develop a better understanding of the development opportunities and challenges facing diverse types of rural areas in Europe. The underlying demand for such knowledge is to support targeted policy development, relating to job creation and social change. In particular, understanding gained during this project should support the evolution of the main strategic documents in Europe. Typology of rural areas has been developed within the project, based on the agricultural production type and demographic trends. Besides, a number of subject-oriented reports were elaborated, dealing with the influence of various elements of the economic, social and natural structure (e.g. climate, demography, employment, farming production) on the development of rural areas. Likewise, detailed diagnoses were prepared for a dozen of European regions ; the respective descriptions were prepared so as to allow for the indication which of the three factors distinguished has the strongest influence on the further development of these areas (the agri-centric narrative, the urban-rural narrative, or the narrative of the capitalist penetration). According to ESPON EDORA project typology majority of Polish regions were classified in terms of structural typology as an ;Agrarian Economies Regions;, and in terms of performance typology (Rural-Urban meta-narrative) as a ;Depleting Regions;. The first typology derives mainly from rationale, which speak of the transformations affecting the agrarian economy and society, and of the increasing impact of global economic forces. It draws the shift from productivism towards new functions highlighting the importance of countryside public goods and the concept of ;consumption countryside;. The second typology places regions on a continuum between ;depletion; and ;accumulation; of various kinds of capital (human, financial, fixed, and so on). In the ESPON EDORA project various sub-regions in Europe was analyzed in a detailed way. Two of them were Polish sub-regions: Ostro³ęcko-siedlecki and Che³msko-zamojski. Ostro³ęcko-siedlecki region, the biggest in Poland, is located in the northern-eastern part of Mazowieckie voivodeship. This voivodeship is characterized, on the one hand, by the highest value of the GDP per capita indicator in Poland, and on the other ; the biggest internal differentiation. The central city of the region, Warsaw, is surrounded by a vast territory of the agglomeration, having multi-functional character, while the peripheral borderland areas display a mono-functional (agricultural) character, and are much more sparsely populated. Almost 750 thous. inhabitants lives in Ostro³ęcko-siedlecki region (population density is 62 people/sq. km ; which is half of Polish average). The region do not have strict regional centre. According to its name, it has two main cities, but they are rather medium size and do not have important socio-economic influence on the neighbouring areas. The agro-environmental conditions are diversified in the selected region ; in the northern part they are one of the worst in Poland (with big share of meadows) while in the southern they are average comparing to national mean. Almost the whole region is classified as Less Favoured Areas. The average farm size in that region is around 10 ha, slightly above country average. The Che³msko-zamojski region is located in the eastern and southern part of Lublin voivodeship, partly along Polish-Ukrainian and EU border. In terms of economy it is traditionally one of the most agricultural regions in Poland. Rural areas are characterised by: high share of farmland, high input of labour into agriculture, high ratio of employment in agriculture, very high number of relatively small farms (despite some non-individual big farms in the eastern part of the region) and peripheral significance of other economic functions. The region is an example of an area characterized by the agrarian fragmentation as the result of a combination of the economic and political phenomena, which took place in historical past, especially during the period, when Poland was partitioned between Russia, Prussia and Austria, in the 19th century. This brought about the formation of a high number of very small farms, mainly of self-supply (subsistence) character. The agro-environmental conditions (despite northern and southern-western outskirts) are very advantageous in this region, one of the best in Poland. Almost 650 thous. inhabitants lives in Chemsko-zamojski region (population density is 70 people/sq km). Two medium sized cities ; Chem and Zamo ; have influence only on the economy of their closest neighbourhood. On the basis of detailed research in these two regions the main challenges and trends of development of agricultural regions in Poland will be examined. Analysis will be particularly focused on the issues, which were the main subjects of project ESPON EDORA analysis: so-called Grand Narratives, basic challenges for cohesion and territorial policy designing, neo-endogenous approach to the rural areas development, or possible scenarios of development, which come out of bipolar model ;Climate Change; and ;Public Investments; applying.

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This paper will seek to explore in a discursive and critical manner the extent to which re-visiting spatial justice (Pirie 1983; Soja 2010) can provide a suitable framework to examine normative constructs of regional development. The paper will explore related notions of social justice, environmental justice and territorial justice to assess the contribution that contemporary ‘geography matters’ and ‘place-based’ approaches can make to the values that underpin regional development outcomes (EC 2009; OECD 2009; The World Bank 2009). In particular it will pay regard to distributional patterns and behaviours that underlie uneven spatial development (Fleischacker 2004; Harvey 2006). EC (2009) An agenda for a reformed Cohesion Policy: a place-based approach to meeting EU challenges and expectations. Brussels: European Commission. Fleischacker S. (2004) A short history of distributive justice. Cambridge, Mass/London: Harvard University Press. Harvey D. (2006) Spaces of global capitalism. London: Verso. OECD (2009) Regions matter: economic recovery, innovation and sustainable growth. Paris: OEC Publishing. Pirie G. (1983) On spatial justice. *Environment & Planning A* 15, 465-473. Soja E. W. (2010) Seeking spatial justice. Minneapolis/London: University of Minnesota Press. The World Bank (2009) World development report: reshaping economic geography. Washington DC: The World Bank

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This study draws on the concept of Europeanisation – understood as the domestic impact of EU policies – to investigate the influence of EU cohesion on the sub-national policy actors in Poland. The implementation of the Structural Funds (SF) in Central and Eastern European countries (CEECs) is credited for diffusion of norms and practices improving the capacity of the administrative actors involved and triggering changes in the patterns of governance. However, research to date showed that the adjustment to EU cohesion policy norms in CEECs was hampered by difficulties stemming from insufficient administrative capacity of the institutions involved and institutional legacies. In fact, one could expect that the pre-accession mode of EU policy rules transfer based on conditionality and external incentives for adjustment (rational-choice mechanism of change) would lead to hasty and superficial adjustment in the New Member States. This would result in ‘formal’ compliance with EU cohesion policy without fundamentally changing the pre-existing ‘ways of doing things,’ which in turn would be an obstacle for effective implementation of this policy. That said, one could also hypothesise that over time, once these countries become full members of the EU, sociological mechanisms of Europeanisation might come to the fore and favour internalisation of EU policy rules through processes of social learning. There is a shortage of empirical studies investigating the mechanisms of post-accession adjustment to EU cohesion policy in CEECs, particularly at the regional and local levels. This study aims at bridging this research gap and testing the above hypotheses. Drawing on the empirical evidence from Poland concerning the influence of EU cohesion policy in three areas - administrative capacity, strategic planning, and governance – the paper shows that adjustment to the EU cohesion policy norms initially tends to be stimulated by cost/benefit calculation or constraint, which may involve ‘shallow’ adjustment. However, the study also reveals that over time, provided that EU-imported norms are in line with the actors’ preferences, socialisation and learning mechanisms become more prominent. Moreover, the paper demonstrates that the sub-national impact of EU cohesion policy remains uneven and differentiated depending on the actors’ preferences, attitudes and capacity.

LEVERAGING TRAINING AND SKILLS DEVELOPMENT IN SMES: A REGIONAL SKILLS ECOSYSTEM CASE STUDY

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In 2009-10 the OECD LEED programme implemented a multi-country project on Leveraging Training and Skills Development in Small to Medium-Sized Enterprises (SMEs). New Zealand was a participant in the project, submitting a case study on its Canterbury region in the South Island. The case study focused on Canterbury's regional skills ecosystem, paying attention to the special issues faced by SMEs in accessing formal and informal training opportunities for their staff. This paper explains the conceptual framework for the study and presents the major results of the research. It finishes with an analysis of differences revealed in the data between highly innovative and less innovative SMEs. The large differences between the high and low innovation firms were in their participation in: marketing and promotion training; business planning training; research and development training; and job-specific technical skills (formal training). This suggests the innovative firms may be more driven by the search for new market opportunities.

HOME-WORKING IN BUSINESS SERVICES IN PERIPHERAL REGIONS

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Rona Michie, University Of Strathclyde, UK

This paper examines whether the emergence of new forms of employment in peripheral rural regions, namely home-working in the financial and business services sector, is helping to mitigate peripherality or is instead simply reshaping and reinforcing existing patterns of inequality. While many peripheral regions have traditionally depended on natural resource-based sectors (e.g. farming/food, renewable energies, forestry/wood products or tourism), some have seen significant growth in financial and business service sector employment in recent years, a sector that is more commonly associated with urban areas. The paper examines these developments within the context of the transformational trends which are changing the shape of the constraints and opportunities faced by peripheral regions. These include new forms of international economic integration which are re-producing spatial inequalities (Quark, 2008), as well as technological changes which are facilitating new forms of proximity (Boschma, 2005; Lagendijk and Lorentzen, 2007). The transformational effect of these changes could have both positive and negative consequences on peripheral rural economies. There is a long-standing debate on the possibility that information and communication technologies could reshape business and job opportunities in peripheral regions, by allowing more businesses to operate at significant distances from their main customers and suppliers, and by enabling more people to find employment, not least via home-working (Friedman, 2005). Conversely, technological changes and shifts in the international organisation of production may increase the advantages of agglomeration and lead to the greater geographical concentration of business activities. Similarly, even if a larger range of businesses are now able to locate in peripheral rural areas, they are likely to remain in dependent relationships with external actors, as the main decisions shaping markets, corporate strategies and government policies continue to be taken outside peripheral regions (Young, 2010). This paper focuses on a case study of home-working in the financial and business services sector in the Highlands and Islands of Scotland, the most peripheral rural region of the United Kingdom. The number of firms and workers within this sector has increased in the region in recent years, and local policy-makers perceive home-working as a model which could facilitate the sector's growth. This paper examines the development of the sector within the region and the reasons why firms and other organisations in the sector are locating in the Highlands and Islands. It also reflects on the impact of these developments on inequalities within the region and on the region's peripherality within the broader national and international economy.

CREATING NEW PATHS?: OFFSHORE WIND, POLICY ACTIVISM AND PERIPHERAL REGION DEVELOPMENT

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In this paper we extend evolutionary approaches within economic geography by contributing a peripheral region perspective to current debates on the processes of path branching and creation. We argue that existing approaches have, understandably, drawn most conceptual and empirical analysis of path creation from high performing regions possessing high levels of adaptive capacity. An important and unresolved issue remains as to how peripheral regions, faced with a variety of structural challenges, stimulate new pathways of economic growth. To address this, we provide a sympathetic critique of existing approaches and use the example of the offshore wind sector in North East England to respond to the recent call for more theoretically informed empirical analyses within evolutionary debates. We develop a conceptual framework that situates the analysis of agentic processes and mechanisms within a geographical political economy understanding of path creation and evolution. First, we offer fresh empirical insights into how the new and emerging market opportunities within offshore wind offer opportunities to reconstitute latent, under-utilised, even abandoned, assets from previous and declining paths of growth. The experience of the North East suggests that peripheral regions may offer competitive advantages in creating new paths of growth in offshore wind, given a combination of place dependent factors including engineering competences, proximity to natural assets and former industrial sites and infrastructures. Second, we argue that given the relatively weak levels of market-led adaptive capacity in peripheral regions, the North East case study reveals how existing approaches underplay the agency of strategic national and regional policy interventions in connecting potential regional strengths to new paths of economic growth. We demonstrate that to better understand the key agents, mechanisms, and processes of path creation across different regional contexts requires a clearer integration of firm-level analysis with broader institutional and structural contexts. Finally, using our geographical political economy perspective we demonstrate the ways in which path creation shapes, and is shaped by, extra-regional relations. In regional development terms, given its reliance on FDI, we question the extent to which the new growth path reflects a qualitative shift or continuity in the path dependency of the North East.

THE EVOLUTION OF EU RURAL POLICY: LINKAGES OF COHESION POLICY AND RURAL DEVELOPMENT POLICY

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Rural policy has emerged from the early 1990s on as an increasingly relevant policy field. This paper takes account of the different policy perspectives and the shifts in conceptual, institutional and organizational terms of rural development policy implementation. It reflects the reformulated policy rationale which rejects the idea that regional problems are problems of particular types of region but seeks to identify opportunities for rural regions and to support them in realising their potential. In this approach we draw on a synthesis of research undertaken as part of the ESPON EDORA (European Development Opportunities in Rural Areas) project focusing on the policy implications associated with main economic and social drivers, as well as future perspectives of regional development, and the emergent recognition of a wide set of local assets. Moreover, results from the EU study RuDI (Assessing the impact of rural development policy) on the development and current policy rationales and implementation styles at the member State level will provide an important reference for assessing the available evidence on policy performance. It is the crucial question whether something like a new approach in EU rural policy can be identified. We argue that whilst there has been an evident shift in the nature and content of rural policy for some time, the real strategic change has not occurred. Initially rural policy was intrinsically connected to agriculture and limited rural development actions were geared to CAP market measures. But rural policy can be considered as a part of cohesion policy and, actually, the development of regional policy has clearly influenced the EU's approach to rural policy. However, rural policy developed into a separate policy field which requires clarification on its potential scope. More recently rural policy has been more and more used to advance wider objectives of the EU, gaining increasingly a territorial approach. The analysis underpins that the linkages between theory and practice in Rural Development Policy have remained very partial, while new perspectives

for the policy field become visible by and by. These have been addressed in different “meta-narratives”, which tend to be still largely ignored by the general discourse and decision-makers. Meta-narratives also refer to changing rural characteristics that necessitate a territorial approach paying attention to diversifying constraints, opportunities and demands in rural areas. In the discussion regarding the implications of drivers of rural change, future challenge and the current policy debate, in particular with regard to the Fifth Cohesion Report, the update of the Territorial Agenda, The Europe 2020 strategy, including Dg Agri’s “CAP towards 2020” document, the paper will present the need to take account of the emerging model of regional development, focused on the place-based potential and local participation in addressing these assets. It will thus conclude on recommendations how this policy shift might play a role in supporting the future development of diverse regions within the EU.

Gateway Q1

EMBEDDED VALUE CREATION IN THE UK ECONOMY

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Drawing on the current debate on the experience cultural economies, the paper aims to explore the nature and scale of such activities across British regions. The paper distinguishes between creative and experience/cultural economies, with the latter coinciding with economic activities that are tightly linked to the place where they are produced and consumed. Differently from strictly defined creative industries, the experience economy has shown to be embedded in places due to their natural resources, heritage or to a recently gained uniqueness. It is indeed the immobility and unreplicability of the activities that makes it a sector of particular interest for diffused economic development. The paper presents a preliminary study applied to the UK.

Gateway B

PRECARIOUSNESS OF EMPLOYMENT: AN ANALYSIS OF THE LABOUR MARKET STATUS OF MG ROVER WORKERS AFTER PLANT CLOSURE

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David Bailey, Coventry University, UK

Gill Bentley, University of Birmingham, UK

Economic restructuring and labour market adjustment has been an important feature of European economies in the past 25 years. Conventional accounts of facilitating 'successful' adjustment are typically based on the advocacy of labour flexibility and mobility. However, successful labour market adjustment requires that issues of job quality should be addressed. This is particularly pressing for displaced workers who are often only able to obtain temporary and/or sub-standard (low-wage, low-skill) work after redundancy: there is evidence to suggest that individuals who subsequently obtain such work become 'trapped' in precarious cycles of intermittent work and unemployment. This paper examines how the loss of 6,300 jobs from the closure of MG Rover at Longbridge (Birmingham) in the UK in April 2005 affected the employment and well-being of ex-workers. In so doing, the paper sheds light on the subsequent labour market activities of workers; in particular though exploring the precariousness of jobs entered into, using Standing's (1997) typology of labour market insecurity - presenting an analysis of a longitudinal survey of 300 ex-MGR workers. The paper finds that whilst the great majority of workers could be argued to have successfully adjusted into re-employment, with positive findings in terms of re-training and education, significant issues remain in terms of security of income, job quality and representation at work - and hence that longer-term policy measures are needed to address these aspects of precariousness at work beyond the short-term emergency measures of the 'Task force' model.

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This exercise/paper will end up with an elaboration on some possible preconditions and intellectual highways for a strategic theoretical and empirical exploration, including, as far as possible ingredients of the abstracts defined and included in the gateway using the gateway heading for the paper itself. Exploratory and explanatory fragments from the Danish context will be included. It will focus on areas and experiences that could be described or defined in terms of the periphery, rural and rurality. The way the terms oppose, complement and highlight each other. This includes, in this very preliminary form, a geographical, functional and experiential approach/discussion. This is based on some aspects of a general conceptual/analytical approach and has also references to taxonomic discussions. A similar approach, where the exercise was focused on the conceptual interaction of periphery, margin and border is one of the starting-points. An objective of this is to enlarge upon the conceptual contents of the terms mirroring each other and therefore analytically increasing the understanding of the terms taken by themselves. The processes of unequal development, such as globalization processes, agglomeration processes, clustering consumption based urbanization processes, but also political administrative aspects like centralization play a role. How have these processes changed? Are they different from region to region? If we approach them under the alternative concepts of peripheral and rural does the difference benefit the analysis above and does it present complementary analytical angles in an understanding of the processes indicated. A basic question of substance is when, where and how rural turns peripheral or marginal. Another will elaborate around the peripheral and marginal dimensions of the rural. Periphery can be seen as relative, relational, dynamic, but also discursive, but also what it is constituted by. The former discussed in terms of the relations between centre and periphery, with the potential impacts of sub-centers, as well as the analytical impact of in-between zones and activities. New approaches stress the role of networks and peaks in the economic geography. The latter also highlighting the special aspects of place and locality, neighborhood and social community seen from the individual. The far-reaching and open-ended implications for that question are important to explore. The place related issues: problems, challenges, potentials of different places: economic structures and processes, demography, skills, quality of life, power and discourse are important to study. We do not have to consider peripheries as mere 'victims' they could be seen as co-producers of their own fate, meaning that they have some margins within which they could change it. The empirical problems of the concepts should be discussed in regard to the degree that they throw light on issues related to regional development, both in general and in more specific terms. This indicates, for example, that what we are, or should be approaching are simultaneous aspects of geographical, functional and relative distances and structures and, on the other, different interpretations and experiences of advantages and disadvantages in different dimensions of proximity, other structural and dynamic processes as for instance issues raised in theoretical elaborations around the concept of place. But also much more down-to-earth functional issues in regard to policy/ies, programs and economic structures and dynamics. Rural in terms of traditional industries. Rural as in terms of societal categories (knowledge base, sparse population, labour market) in 'negative' terms. Rural as in terms of societal categories (tacit knowledge, social capital, identity categories) in 'positive' terms. Rural as in terms of competitive power (experience industry). Rural as in terms of quality-of-life. It is argued that there is a general lack of systematized empirical analysis and conscious practice in these, here still undefined, specific areas, functions and experiences, due to the fuzzyness of the concepts. This also means that aspects of regional and/or rural policies, which usually are developed with perspectives given priorities to areas with a regional/central orientation or location, or areas surpassing some kind of threshold indicators for population, densities of activities etc, can possibly do this on backgrounds defined by misinformation or misunderstanding and awkward deformation of some of the issues at stake or a simple lack of necessary information or interest. An indication that continuities are burdened by threshold dynamics is a case-in-point.

ECONOMIC PATH DEPENDENCE AND CRITICAL JUNCTURES: THE CASE OF TARANTO

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Lidia Graco, University of Bari, ITALY

The paper investigates the mechanisms that have constrained the development paths of an old industrial area in Southern Italy, Taranto. The economic adaptation of the area, home to one of the biggest European steel complex, has proved to be largely insufficient during the last fifty years: as it did in the past, the steel industry still influences Taranto's socio-economic dynamics, despite the privatisation process of the early 1990s, which brought downsizing and workforce reduction. The paper seeks to explore how socio-economic relations, operating across different scales, interact in the reproduction of Taranto's economic and social landscape through time. From a theoretical perspective, the analysis relies on the insights provided by the evolutionary perspectives that have recently come to the fore in regional studies, but also by historical sociology. In fact, the latter emphasizes the role of history and power relations on institutional change: mechanisms of cumulative causation are mainly fostered by social values, reflecting asymmetrical power relations and interests, as well as by wider structures of accumulation, affecting contextual dynamics. The analysis of the Taranto case is based on empirical evidence. Accordingly, a number of socio-economic factors hindering the area's economic adaptation are identified: namely institutional hysteresis (with reference to industrial relations, political elites and clientelism), institutional thinness, mono-production. In addition, sensitive to a political economy approach, such analysis considers the functional position that the Taranto's industrial complex holds in the international division of production and labour. Despite restructuring and privatisation, the industry is involved in low value added activities which render it particularly vulnerable to competition. Finally, the paper considers if, and in what ways, the environmental movement, emerging in Taranto, and the left wing regional government could become de-lock in mechanisms or, in other words, could constitute 'critical junctures' for the area's economic trajectory.

LOST LEADERSHIP AND LOSING MOMENTUM: THE CHALLENGE FOR THE UK AFTER MAY 2010

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The decision by the UK coalition Government to cut back the work and role of the English Regional Development Agencies and to cut back on the capacity of the Regional Government Offices (in England) raises important questions about how policy momentum is sustained in a changed political context. The scale of the cuts in UK public spending (coupled with an agnostic EU perspective within the new UK Government) and the need to create a domestic narrative which stresses the necessity of cuts has accentuated the Euro-sceptic presence within the UK. There has also been a broader intellectual and political distancing from European institutions too (especially those concerned with Human Rights). But, there appears to be a broader question for those examining the ways in which leadership roles or decisions are enacted through different processes and including different 'actors'. The outcome of the 2010 General Election in the UK and the funding crises in terms of the UK's relationship with Europe can also be seen in Ireland and in other EU states where the external pressures to cut welfare and social spending have been severe. In the UK there have been deliberate policy and political decisions to reduce the role of regions as a means of framing debate and action as well as providing a political and policy context to regeneration, economic development and work force planning. The loss of a leadership capacity and its consequences are explored in this discussion paper.

THE WEIGHT OF TERRITORIAL FACTORS IN TOURISTS' ACCOMMODATION CHOICE: THE CASE OF RURAL TOURISM ON THE ISLAND OF LA PALMA

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In certain quarters tourism development is attributed a role as a sector that reduces regional imbalances, with some tourism policy systems viewing the promotion of tourism in depressed areas as a potential way of raising employment and income levels significantly. The present study analyses the case of the rural tourism market on the island of La Palma (Canary Islands) and its relationship with territorial factors and variables. Specifically, it has attempted to determine the role played in tourists' accommodation location choice by territorial and related factors (for instance, the area of the island, proximity to the beach, hours of sunshine etc) compared to other factors. A sample of 316 tourists who holidayed in La Palma during the period July-September 2007 and stayed in rural tourism accommodation was selected for this purpose. The methodology used consisted of a preliminary analysis of the associations between the variables and their modalities, following which a Multiple Correspondence Analysis (MCA) was performed. The results of the study allow us to conclude that the weight of territorial variables in destination and accommodation location choice can vary substantially depending on the market segment considered.

MEGA PROJECTS, AGENDA-SETTING, AND THE NEW POLITICS OF DECISION-MAKING IN MEXICO

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The purpose of this paper is to explore how processes of agenda-setting have changed in Mexico's infrastructure sector in the context of political transformations that have taken place in the last two decades. The paper uses two main examples: 1) the project for a new international airport in Mexico City which was announced in 2002 and cancelled one year later, after extensive social mobilisations and a heated debate over its social and environmental impacts forced the Federal Government to reconsider the convenience of the project; 2) the project for a new oil refinery in Tula, Hidalgo which was announced in 2009 after a long and controversial decision process that included competition between different state governments and confrontations between the President's office and the Mexican state-owned oil company, PEMEX. Both case studies are analysed to identify how government actors at different levels –national, local, etc.–, civil society groups, professional experts, and academia, between others, interact and define what kind of infrastructure projects enter and survive in the policy agenda. The concepts of advocacy coalitions, epistemic communities, policy discourses, and policy windows of opportunity are fundamental to understand these interactions in the context of new political fields, characterised by higher degrees of political liberalisation and administrative decentralization. On the one hand, the paper suggests that policy decisions in the infrastructure sector have become relatively more open, informed, and accountable given that the number of actors involved in shaping the policy agenda and the number of relevant assessment dimensions have increased dramatically in the last two decades. But on the other hand, the paper also suggests that decision-making processes have become messier and more unpredictable, posing serious challenges to democratic governance in this particular policy area.

DECOMPOSING EUROPEAN INCOME INEQUALITIES: NATIONAL PERSPECTIVES ON EUROPEAN LEVEL COHESION**Justin Doran, University College Cork, IRELAND****Declan Jordan, University College Cork, IRELAND**

This paper utilises the Theil coefficient to analyse inequality in regional income levels in fourteen European countries. The countries studied are those members of the European Union (EU) prior the enlargement of the EU in 2002 excluding Luxemburg (EU-14). The analysis is based on Gross Value Added (GVA) per person at NUTS 2 level at constant purchasing power parity (PPP) level from 1980 to 2009. By applying the Theil coefficient, it is possible to assess not only the total inequality in income levels among EU-14 regions, but also to decompose this inequality. Initially, the Theil coefficient is utilised to decompose inequality into that which exists between countries and that which is present within countries, thereby testing whether overall convergence among countries may be observed while inequality may still present within these countries. This scenario may result from the core regions of nations converging with one another across the sample of fourteen countries while the poorer regions within the sample may experience slower growth and lag behind the more prosperous regions. Alternative growth theories postulate differing outcomes for this convergence/divergence affect. As it would be expected that regions within the EU-14 countries would possess similar steady states, the Solow (1956) growth model would predict convergence among these regions. Indeed, Sala-i-Martin (1996) suggests that this is the case, with EU regions converging with one another when analysed using β -convergence regression techniques. However, Fujitita, Krugman and Venables (1999) propose the possibility that core regions may develop at a faster pace than peripheral regions due to the concentration of economic activity. Gardiner, Martin and Tyler (2004) find some support for this latter hypothesis in their analysis of EU regions when they conclude that regional inequality has not declined within Europe up to 2001. This paper aims to provide an insight into these competing hypotheses and how they apply to convergence/divergence within the EU-14. This paper finds that regional inequality has increased in the EU-14 between 1980 and 2009. However, decomposing inequality into between and within country components indicates that within country inequality has driven the overall increase in inequality while between country inequality has declined since 1980. This suggests that while national aggregate income levels are converging, certain regions are falling behind relative to others, perhaps suggesting that core regions are outperforming peripheral regions (Fujitita, Krugman and Venables, 1999). For example, while Italy as a whole has converged with other EU-14 countries, regions in southern Italy remain poor relative to northern Italy. To investigate the drivers of this increase in regional inequality a further decomposition is performed. Total inequality is decomposed into the composite components of inequality arising from productivity and employment-population ratio differences across regions. Productivity is defined as GVA per person employed within a region and the employment-population ratio is defined as persons employed as a proportion of the total population. The results of this decomposition indicate that since 1980 there has been convergence in productivity levels among EU-14 regions and increasing inequality in the employment-population ratios of regions. The convergence of productivity levels across regions is promising from an EU cohesion perspective. However, while convergence has occurred, the pace has been relatively slow and a sizable degree of inequality still exists among regions' productivity levels. The worrying trend of increasing inequality in the employment-population ratio of regions may result from the migration of workers from poorer regions to more prosperous regions, made possible by the increased mobility offered by European integration.

ECONOMIC EFFECTS OF THE INTEGRATION PROCESS OF CHINA WITH ASEAN COUNTRIES**Boguslawa Drelich-Skulska, University of Wroclaw, POLAND**

China's economic integration with ASEAN countries contributes to mutual economic development and, consequently, a spirit of regional cooperation and identity. From the onset of the 21st century, China endeavors to strengthen its political and economic status in the East Asia through regional trade agreements. The development of economic relations between China and the ASEAN nations is manifested in dynamic growth of trade volumes, bilateral capital flow and production networks in East Asia. The region of Southeast Asia has the

strategic importance for China. The 'good neighbor policy' is one of the most important premises of Chinese diplomacy with bordering nations.

Gateway D1

STRIVING FOR LOCAL DEVELOPMENT - BROKERING FIRM NETWORKS IN THE NORTH OF EUROPE

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Under the impetus of the European Commission, regional development policies across Europe increasingly promote initiatives aiming at fostering innovation, entrepreneurship and growth in the region. In that process, firms seem to be the central link enabling policymakers to deliver on these promises. More precisely, SMEs, the most common type of working place in rural and peripheral regions, are at the heart of that challenge. Yet, it seems that business support policies are stuck between a rock and hard place: on the one hand, the need to foster growth and help regional businesses to thrive; and on the other hand, the imperative to ensure 'fair competition' limits the possibilities for direct support, e.g. in the form of subsidies. In this framework, publicly-induced firm networking are increasingly seen as an innovative way of approaching the challenges of regional development policies. Networking is a means for achieving a sustained growth and development of regional firms. Consequently, the objective of network activities is to improve the performance of the firms, and thus the overall competitiveness of the regional economy. The paper proposes to investigate the process of network brokering, on which the current regional studies literature offers few accounts. In this paper, the author proposes a guided tour of the firm networking initiatives undertaken by regional actors in the North Swedish. Besides the regional authorities, which often contribute through the implementation of national and European instruments and programmes, the author shows that the operationalisation of such network initiatives is eventually undertaken by a multitude of organizations, labeled as network brokers. Yet, network brokering, i.e. the action of facilitating the development of business relations and partnerships between firms, is a process that goes beyond the mere matchmaking exercise, as it requires a sharp understanding of the policy and economic contexts in which firms are subject to, both regionally and globally. The author further advocates that efficient brokering also requires a dense web of relations with other network brokers, at all levels from the local to the global. Consequently, network brokering reveals itself as a complex, multi-scalar practice whose end-goal is to help small firms finding a reliable business partners in other parts of the region, Europe or even worldwide. In the Northern Swedish case, the small-size of the regional economy implies that most growth opportunities for firms need to be sought outside the region. In that respect, network brokers need to find ways of fostering a tailor-made approach to the internationalization of business activities of small firms. The paper is based on empirical material collected through a set of interviews and desk research in the framework of the FP7 DERREG project. The paper reviews the main network brokers and pertinent network initiatives found in Northern Sweden and provides a thorough account of the main features of the process of initiating and managing such networks, the main expected benefits for firms and the outline of successful practices in brokering networks. The paper focuses especially on initiatives involving small businesses located in the most remote and rural parts of the region, and the specific challenges that it entails. Finally, the author discusses how network brokering offers a renewed, more pragmatic approach for undertaking regional development policies in the European Union.

HOW TO CAPTURE MOBILE KNOWLEDGE IN TOURISM SECTOR? CO-(R)EVOLUTION OF RUSSIAN TOURISTS AND HIGHLY INDIVIDUAL PLACES (HIP) IN ANTALYA

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In this paper the conceptual framework of knowledge dynamics is examined through the lenses of a case study, namely Antalya region - a well-known touristic destination in Turkey. Tourism sector encloses knowledge intensive activities most of which represent informal, relational, unrecorded, and people embedded characteristics, and are not dependent on formal education, science and learning processes (Halkier, 2005, 2006). The recent transformation of tourism sector in Antalya is related to the differentiation of 'tourist profile' since 1990s and the consequent emergence of luxurious (HIP) hotels. Following the 1989 Revolution, the income growth in former Soviet Countries, particularly in Russia, has radically changed the incoming tourists; hence instead of classic German-Britons the leading nationality has turned to be Russians. The rapid transformation has caused the exploitation of knowledge without any knowledge generation. Besides, the dominance of symbolic knowledge (Asheim and Coenen, 2005) in tourism pushes exploration phase to the background compared to technical innovations (Crevoisier and Jeannerat, 2008). This rapid transformation has been faster than public policy regulations and has been implemented by private actors. Following the emergence of luxurious hotels, stemming from the demand of wealthy Russian tourist instead of middle-class German-Briton tourists, through the support of central government by land allocation a new diffusion and growth strategy in which the construction, management and operation of hotels by an individual or a group has developed in the form of becoming widespread. With the new business strategy, the HIP hotels that are transferred through political relations and that have principle roles in this process, constitute a customer oriented structure that combines different types of knowledge such as child-care, animation, cuisine, SPA, all of which simultaneously appear with the rapid rise of Russian tourists. However when fundamental dynamics are concerned, not only the political actors but also extra-regional (even extra-national) actors play crucial roles in this transformation. Correspondingly this generates extra-regional distance knowledge mobility (Crevoisier and Jeannerat, 2008). This, in turn, confirms the need for multi-local, multi-actor and multi-scalar relationship in order to create a difference (differentiation policy) in tourism sector (Doz, Santos and Williamson, 2004). Consequently, this study examining the knowledge dynamics in tourism sector in Antalya region presents some striking findings about the types (Asheim and Isaksen, 2008) and phases (Cooke, 2005) of knowledge dynamics and knowledge mobility. There are three fundamental non-technical knowledge dynamics: business models, customer service-related knowledge, and on-site-services. Therefore, these knowledge dynamics encompass various actors from separate countries and depend on reciprocal exchange and/or bilateral transfers of symbolic knowledge. Hence face-to-face relations are very important in this knowledge dynamic since the symbolic knowledge depends on actors rather than the knowledge itself. It can be claimed that successful organizations in this knowledge dynamic are the ones who can rapidly reach symbolic knowledge via labour mobility. In connection with knowledge processes, it may be argued that the defined knowledge processes (Halkier, 2006) function but exploration and examination phases are very short, occasionally almost absent.

HUMAN RIGHTS: THE EFFECT OF NEIGHBOURING COUNTRIES

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We examine the geo-political and international spatial aspects of human rights (HR), using a purpose-designed data-set. Applying empirical tools from the trade literature, we analyse the impact on a country's HR performance of geographical proximity to its neighbours. Unlike previous studies, our approach treats this as partly endogenous: one country's HR performance will affect its neighbours through a variety of potential geographical spillover mechanisms. We start with simple descriptive accounts, using maps and scatter plots, of the geographic history of HR performance. Using a relatively simple spatial-weighting model approach we

compare each country's HR performance with what would be predicted by regression on a weighted average of its neighbours' performance (i.e. weightings depending positively on country size, and negatively upon distance), using a cross sectional dataset of one hundred and sixty countries. We regress measures of population size, distance between countries, the existence of land borders, the prevalence of war or ethnic conflict to test the general hypothesis that there may be positive spillovers between neighbours' human rights performance. This is then extended to derive measures of HR performance relative to both economic, social and spatial factors, and to estimate cross-border reaction functions in terms of HR.

Gateway S

THE REFORM OF EU COHESION POLICY AND THE CAPABILITIES APPROACH

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The conclusions of the Fifth Cohesion Report offer suggestions for the future of EU cohesion policy after 2013, calling for an “ambitious reform” to tackle the effects of the recent financial crisis, while switching to a low carbon economy. Accounting for a large proportion of its budget, the role of cohesion policy in the overall development of the EU is vital and this has been recognised by the European Council in the Europe 2020 strategy. In turn, the conclusions of the Fifth Cohesion Report make proposals to link the policy closer to the EU's new strategy. Europe 2020 marks an important change to the Union's guiding compass compared to the Lisbon strategy, with less focus on competitiveness – a term poorly defined – and instead calling for a “smart, sustainable and inclusive economy”. The proposals for reform of cohesion policy aim to make all levels of governance work together to meet the goals of Europe 2020. They seek to make the policy more results orientated by concentrating priorities and by introducing conditionalities and incentives. At the same time the administration of the policy is to be simplified. This paper contributes to the discussions around reform of cohesion policy by suggesting that a geographical reading of the ‘Capabilities Approach’ can be a useful conceptual framework to guide policy makers. Its main proponent is Amartya Sen who is a member of the Stiglitz Commission that initiated the ‘Beyond GDP’ discussions in Europe and it is closely linked to this important new perspective on progress in socio-economic development. However, whereas Beyond GDP has mainly been discussed from a national perspective, this paper shows that it should also have a strong local and regional dimension, and therefore can inform the reform of cohesion policy. The Capabilities Approach is explained and its use as a form of evaluation as well as a method of local and regional development is analysed. This geographical dimension of the approach has been elaborated through empirical research in the Portuguese region of Alentejo. However, its implications and policy recommendations can be used to guide the future of cohesion policy across the EU as a whole.

Gateway U

IMPROVING REGIONAL TRANSPORT ACCESSIBILITY PLANNING: A GIS-BASED METHODOLOGY UTILIZING MICRO-LEVEL REGISTER DATA

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During the last decade Sweden has witnessed a trend towards regionalization. This has resulted in a shift where regional authorities during a ten year period has transformed themselves from being a performer of state-led administration towards a new role as a pro-active regional planning organization. One important dimension in this new situation is the need for tools and information to assist in the planning process. At the same time there has been an increasing orientation towards planning for accessibility in Swedish policy. The aim of this paper is to demonstrate how a GIS-based methodology for analysis of accessibility by car or public transport based on geographical micro-level register data can be used in regional spatial planning. Firstly the paper provides an overview of Swedish regionalization and the potential for planning support tools. This is followed by a discussion about the concept of accessibility and its usefulness in a planning framework. The main focus of the paper is on the development process, structure and methodological considerations associated with the construction of a model for measuring accessibility. Important issues that will be discussed are:

operationalization of the accessibility concept, simplifications and restrictions in terms of travel time accuracy, differences between car and public transport travel measures, micro data, geographical resolution and the usefulness of the methodology in a regional planning context. The main contribution of this new methodology is related to the improved geographical resolution that allows more detailed results and the possibility to perform analysis without being restricted to traditional administrative borders. Another important feature is the capability to compare car and public transport travel alternatives. Potential strengths and limitations of the approach is discussed and illustrated through a planning case-study of accessibility to services in peripheral parts of the Swedish Västra Götaland region.

Gateway H

CHANGING REGIONAL POLICY AND NATIONAL SPATIAL STRUCTURE IN FINLAND SINCE THE 1980S

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This paper seeks to answer two questions about the regional policy in Finland: why it has been possible in this small country to promote several alternative development centres to the capital region since the 1980s, and currently, to enact strategies to create a few dozen of small-sized centres. The major national spatial theories that underline the global macro-economic dynamics argue that national development policies increasingly put the emphasis on territorial competitiveness, and for this purpose, the designation of locomotive centres where to invest effectively and exclusively, whereas in principle expecting self-reliant development of the other less-favored areas. When it comes to the small and peripheral countries relying on the foreign market, the macro-economic impact should be shown more sharply. In fact, this study also found the general shift of the policy purpose into the territorial competitiveness since the 1980s. However, if we carefully investigate the current path of the Finnish regional policies, especially the strategy to expand the development centres all over the country, there have been meaningful changes of the institutions and the context which are often overlooked by the theoretical lens that would view them as a sort of territorial competitive strategies or a result of tension between ideas of competitiveness and the traditional regional equality. Some researchers who are familiar with the Finnish political economy or regional policies may point out the following three factors of such current changes, namely, the contingent growth of ICT-related industry in the 1990s, driven by Nokia; the exogenous impetus of EU accession; and the path-dependent political structure or the political power of an agrarian league, now the Centre Party. While I agree with some impacts of the specific factors, these were not always key factors in some periods, or had only marginal impacts on the changes. Instead, I emphasize conditions of the domestic regional economies or the national spatial structure. This approach incorporates, as an intermediating variable, the dynamics of the national spatial structure in addition to the state political-economic environment between the above-mentioned macro-economic dynamics, and the Finnish specific institutions and actors of regional policies. To the questions, this paper will show the two findings about the variable and one institutional development of the regional policy itself. Firstly, the 1980s' regional development policies constraining the growth of Helsinki were justified by the endogenous development of its alternatives, together with decentralization pressures or political compromises between the Centre Party and the southern based parties. Secondly, since the end of 1990s, the development policies to alternatives, e.g. Oulu and Tampere, have been accelerated by the fact that these development centres became important for the global strategies of the capital region as well. Thirdly, as a result of the formation of locomotive centres in each region and learning of the process by policy makers, regional policies have advanced regional supports of endogenous initiatives in the small-sized local centres by the aid of the basic resources, know-how, and technologies in their hearts.

STAYING POWER: THE ROLE OF RELATEDNESS AND GEOGRAPHIC PROXIMITY FOR FIRM SURVIVAL IN THE SWEDISH TOURISM SECTOR

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Patrick Brouder, Umeå University, SWEDEN

This paper investigates how previous experience and location of entrepreneurs influence the survival of start-ups. By means of the unique geo-referenced micro-database ASTRID, containing information on features of workplaces (e.g., births and deaths, spatial coordinates and industry codes) linked to characteristics of entrepreneurs (e.g., age, education, previous working experience), hazard models are applied to investigate the survival rates over a seven year period of a total of 133 start-ups between 1999 and 2001 in the tourism sector in the four northernmost counties in Sweden. Whereas this type of analysis has been mainly conducted for manufacturing industries typically characterized with high entry barriers, little knowledge is currently available on the factors influencing survival rates in service sectors with low entry barriers. Preliminary empirical findings demonstrate that entrepreneurs with previous work experience in similar and related sectors are more likely to stay in business than entrepreneurs with experience from other types of sectors. It is also shown that those entrepreneurs without previous local experience tend to be less successful. The paper concludes with a discussion of the potential implications of these findings for regional development policies in sparsely populated areas. Key words: Firm survival, relatedness, proximity, service, tourism

THE EVOLUTION OF LOCAL DEVELOPMENT AGENCIES FROM SERVICE PROVIDERS TO FACILITATORS IN KNOWLEDGE NETWORKS: THE ROLE OF ACADEMIC EXPERTISE IN THE CHANGE PROCESS

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(Invited to gateway theme M2: RDAs the next generation?) Globalization and new approaches to innovation and competitiveness have generated pressure on regional and local development agencies. New challenges require new approaches. Two of the trends are the need to understand multilevel approaches to development and the need to balance top down and bottom up initiatives. The absence of a coherent approach to such elements creates inefficiencies in the system that might in the end question seriously the need for such agencies. The paper approaches the multilevel challenge from the perspective of the need to coordinate regional and local development agencies, reflecting on the different roles they might play related to innovation capabilities of firms. The main argument is that, especially in territories with many SMEs, the absorptive capacity that these need to innovate can best be developed with the help of proximity agents (Piore and Sabel, 1984; Zahra and George, 2002; Giuliani, 2005; Staber, 2007; Asián and Zurbano, 2010), such as local development agencies and networking processes developed through their activity. On the other hand, innovation requires specific infrastructure to generate knowledge such as universities and technology centers. Although there might be experiences of very localized infrastructures of this kind, they usually require to be part of a system that is developed at least at regional level, if not in the national level. On the other hand, the argument about the need of bottom up and top down initiatives is based in the trend of local development agencies to foster the creation of public private cooperation networks where the needs of firms are detected and oriented towards policies while creating also the capillarity needed so that top down policy initiatives will reach firms efficiently. This requires regional and local agencies playing a new role as facilitators of such networks (Estensoro and Zurbano, 2010; Asián and Zurbano, 2010). At the same time, the paper reflects on the challenge that regions are posing in social researchers in terms of getting involved in regional processes and generating value to regional actors beyond exclusively academic knowledge (Chatterton and Goddard 2000; Etzkowitz et al. 2000; Nilsson 2006; Harding et al. 2007; Karlsen 2007; OECD 2007). The argument is that social research can play, and in some cases is playing a relevant role in the transformation required to local development agencies. Such a contribution is discussed from an action research perspective. In this context, the paper responds to two questions: •How are the Local Development Agencies (LDA) evolving to adapt to the new challenges of regional competitiveness? •What is the role of social research in such change processes? The answer to such questions is developed in the context of the Basque Country. Concretely, the paper explores how the role of local development agencies has

changed from service providers to fostering bottom up self managed networks of public and private agents at county level. These agencies, created in the late eighties, have understood that their role is not only to provide services to firms, but to create the right environment for local firms and other agents of the innovation system to cooperate and learn together. The paper presents a first mapping exercise of such networks in the region. This way, it illustrates that they are a significant phenomenon that is steadily growing at a municipal and county level in the Basque Country. Some reflections are also made on how these networks fit in the regional framework, approaching the mentioned multilevel perspective. After that, a specific case study is presented. It is an initiative called Lankidetza Sarea, nowadays developing in the Goierri area of the Basque Country. Besides giving insight in how such networks are being created, a reflection is made on the role of social researchers to develop such network.

Gateway D1

MIND THE REMOTENESS: INCOME DISPARITIES IN ROMANIAN REGIONS

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Laura Varela-Candamio, University of A Coruña, SPAIN

This paper looks at the link between wage disparities and market access for the Romanian regions. In first place, we derive an econometric specification which relates the income levels of a particular location with a weighted sum of the volume of economic activities of the surrounding locations (market access). Then, empirically, we estimate this econometric specification for a sample of 42 Romanian regions in the year 2006. The results show that market access is statistically significant and quantitatively important in explaining cross-county variation in Romanian wages. Moreover, our results are robust to the inclusion of control variables thought to be important in explaining Romanian wages as it is the case with human capital and innovation levels. After controlling for these variables, market access remains still positive and statistically significant although its influence on wages decreases around 25%. Finally some policy conclusions are also drawn.

Gateway D1

FORESTRY IN THE WEST OF IRELAND: POTENTIAL FOR RURAL DEVELOPMENT OR UNATTAINABLE PURSUIT?

Maura Farrell, National University Of Ireland Galway, IRELAND

Globalisation surrounds all contemporary challenges for regional development in Europe. Nowhere is this more apparent than in rural areas where striking a balance between conventional productive industries and newly emerging consumption demands sees a repositioning of rural environmental resources. In responding to this new global discourse the exploitation of the environmental capital of rural regions as a dimension of sustainable rural development is increasingly promoted. In this paper one particular response, promoted as an option under this globalized rural framework, is forestry. From an increasing range of policy perspectives within agriculture, rural development, environment, tourism and industry, forestry is becoming redefined as much more than a resource for primary production. It is also an activity which represents many other functions – product, amenity, recreation, energy – and provides an interesting medium through which one can explore conflict between global environmental discourses and the contestation that surrounds the provision/expansion of forestry in general. Investigating this issue in the context of the West of Ireland this paper presents analysis of findings from a series of in-depth interviews with key actors in the forestry industry as part of the FP7 DERREG project. The paper particularly explores the attitudes and interests of key actors as representatives of their respective organisations and institutions. It interprets the ways they are attempting to promote forestry in the name of sustainable exploitation of environmental capital, as well as assessing the choices that are being made (economic demands, recreation, biodiversity, carbon sinks) against a range of more contentious issues relating to forestry promotion and production.

KIBS INNOVATION MANAGEMENT CAPABILITY IN RURAL PORTUGUESE REGIONS: EMPIRICAL EVIDENCE

Cristina Fernandes, University Of Beira Interior, PORTUGAL

João Ferreira, University Of Beira Interior, PORTUGAL

Carla Marques, University Of Beira Interior, PORTUGAL

Problem formulation The topic of entrepreneurship and regional development has aroused interest in many different researchers, national and international (Cooke, 2002; Birley 1985, Kirchoff and Phillips 1988; Storey, 1994). In this sense, the White Paper (2001), of NCOE (National Commission on Entrepreneurship), argues that the greatest contribution of entrepreneurship at the local level is innovation. The OECD (2006) includes entrepreneurship, endogenous economic growth and innovation as a central issue of the New Rural Paradigm. The Knowledge Intensive Business Services (KIBS) are a category of service activities that are often highly innovative, as well as facilitating innovation in other economic sectors, including manufacturing (Miles et. al. 1995; Delmar and Wennberg, 2010). Thus, it can be argued that the regional development and competitiveness are also a byproduct of the activities of KIBS, as they are designed precisely to develop this role at the regional innovation system (den Hertog 2000, Muller and Zenker 2001, Wood 2005; Strambach and Simmie, 2006). In this way we raise our research question: KIBS being suggested as major contributors to innovation and therefore for regional development, particularly in rural areas, how do they position themselves in the face and innovation in Portugal? This study aims to assess how the management capacity of rural business innovation knowledge-intensive and identify their respective positioning on the following dimensions diagnostic innovation: strategy, process, organization, networking, and learning. It is intended to also assess the extent to which their location in rural and Peripheries influences the innovative potential.

Methods The database provided by Coface Group (a multinational company that provides data bases by certain type of requested criteria) contains the outcome (number of companies dissolved and in activity) of KIBS for the period 2004 to 2009. We consider our data base suitable for study since it covers all KIBS firms nationwide. Given the data, in 2004 Portugal consists of a total 39,254 KIBS, having gone to 34,610 KIBS in 2009. So, we found that 4633 KIBS (11.8%) are considered inactive in 2009 and only 88.2% remained in business. The extraction of the database was developed from the turnover of the companies, that is, only companies experiencing turnover Exceeding Were Considered € 0.01. These companies are selected Were Their CAE (Rev.3) codes and NACE (REV 2), it has done Been In Other Investigations (Frell, 2006, Miles et al. 1995; Doloreux and Muller, 2007, Shearmur, and Doloreux, 2008). The questionnaire was made to a sample of 500 companies KIBS. These companies selected in order were all Portuguese districts were represented. Classified companies as professional and technological KIBS, as well as in rural and urban areas (we defined the rural areas, all cities with less than 5.000 Inhabitants) (Kayser, 1990). In order to assess the management capacity to innovate KIBS, we considered the five types of dimensions (strategy, process, organization, networking, and learning) as diagnostic tools for innovation and suggested pot Tidd Bessant (2009). These dimensions were assessed on a Likert scale of 1 to 7, a total of 40 variables. Results In a first analysis we found a more descriptive difference between urban and rural firms, the average level of these factors. In order to assess the quality of data, was initially applied a factor analysis to the set of 40 variables diagnostic innovation. After the rotation of factors (varimax rotation) was possible to group all the variables in only 11 factors: (i) structure, (ii) incentives, (iii) time and efficiency (iv) internal networks (v) learning, (vi) external networks, (vii) case (viii) organization weaknesses (ix) external networks, (x) organization, (xi) strategy. Then, through a mapping of regions (North, Centre, Lisbon, Alentejo, Algarve, Açores and Madeira), we could identify different skills to manage innovation among rural and urban KIBS.

Stating the originality of the research Being advocated by several authors, that the innovation and KIBS are key points of the economic development of regions, particularly in the case of rural areas, we believe it is essential to make this approach to our country. Thus, we typify KIBS in accordance with its vision and innovation management and how it is done in the company. With this study we hope to achieve a greater and deeper understanding of the behavior of innovative knowledge intensive companies and assess the extent to which their location in rural and peripheries influences the innovative potential. In addition, this study also intends to contribute in an attempt to give suggestions to the level of implementation of certain public policies aimed at boosting the competitive capacity of such enterprises.

RELATIONS OF RESIDENTS AND RECREATIONISTS IN TERRITORIES WITH SIGNIFICANT TOURIST-RECREATIONAL FUNCTION AND FORMING THEIR REGIONAL IDENTITY

Dana Fialova, Charles University, CZECH REPUBLIC

Territorial relations are natural part of life for all population. A territory with changing environmental, socio-economic and socio-cultural terms and territories with a specific historical development plays different role in the process of forming and reproduction not only of the identity of the region but also regional identity of people. Different territorial relations are supposed especially with two groups of identity-makers: residents and recreationists. Territorial relations are influenced not only with the duration of stay but also with different values and ways of behaviour. The contribution is based on an extent research conducted in the framework of the project „The significance of the recreational function of settlements and municipalities in the process of forming regional identity and identity of regions in the Czech Republic“. The objective is to compare relations of residents and recreationists (second home users) to their locality, territory and region. Results from field surveys in eight model area of Czechia are presented. Each area has a specific tourist and recreational function with a significant role of second home tourism. A hundred of respondents were surveyed in each region, with a proportional representation of residents and second home users. The survey was conducted in the form of structured interviews by qualified interviewers in the summer of 2010, in the period of the most frequent stays of second home users. The results brought not only information on the relations to the locality, territory and region, perception of major problems, identification of key actors, but also view at the “own “community (residents and recreationists) and an evaluation of mutual perception of the communities (a dichotomy “me“ vs. “them“). The revealed knowledge fills out the character of the social capital in model areas and its significance for forming territorial and social identities. The results should be generalized carefully. However, the survey refutes the traditional media-spread picture about tension (grudge) between residents and recreationists - permanent dwellers and occasional users of the territory, the actors with different perceptions of territorial functions, different values, needs and behaviour. In the amenity-rich localities and regions with a continuous population development only one community with similar attitudes has been formed. Both the regional identity of people and the identity of the regions are intensified.

CULTURAL POLICY AND ENTREPRENEURSHIP IN THE DANISH MUNICIPALITY OF FREDERIKSHAVN

Jens Kaae Fisker, Aalborg University, DENMARK

The paper aims to generate an understanding of the role of entrepreneurship within local cultural policy, specifically in relation to the context of the Frederikshavn municipality. This is achieved through (1) a discussion of cultural policy and its relation to entrepreneurship in Denmark and internationally, and (2) an overview of the current situation and recent developments in Frederikshavn. The discussion of cultural policy is focused primarily on the development of cultural policy in Denmark within the previous 50 years and the perception of culture represented by different trends in policy within this period. A distinct change, which has occurred, is that the boundaries between the fields of culture, economy and leisure have become increasingly unclear. It is the background for this change that is sought in recent history of cultural policy. The overview of the situation in Frederikshavn is centred on certain developments within the last decade, in which the efforts to transform the city's economic base from that of industry to that of experience, has resulted in changes in local cultural policy. In addition to this the Karizma project is introduced, as a recent initiative within cultural policy to facilitate the mobilization and development of local talent and creativity. As such Karizma represents an effort towards creating an entrepreneurial culture in the local community (within the fields of culture and leisure), and a continuation of past efforts to transform the role of the municipal departments from mere welfare provision to catalysis of local development. The paper is part of the initial stages of a PhD project concerning cultural policy, experience economy and entrepreneurship in Frederikshavn. As such the paper assists in building the theoretical framework of the project, with regards to an appropriate conceptualisation of entrepreneurship, in relation to local cultural policy.

Franz Floegel, Institute For Work and Technology, GERMANY

Great expectations and hopes are directed to the creative industry by German politicians and (regional) development agencies. The government has announced the action group “cultural and creative economy” to support and strengthen Germany’s creative industry. Many federal states, regions, cities, urban quarter and even villages are active in building creative quarters and employing agencies to support this assumed growth industry. Especially economic underperforming old-industrial regions like the Ruhr area and the Bergisches Land (both in North-Rhine Westphalia, Germany) , hope to overcome their dependence from the dying montane and producing industry and manage their way into the bright future of the service and knowledge society. However, drawing on our statistical analysis according to the German standard definition of creative industry, this newly perceived industry is underperforming in term of sales, because of the strong sales growth of the producing industry. A closer look at the regions (boroughs) revealed furthermore, that only well performing regions could gain an above average employment increase in their creative industry between 2003 and 2008. Poorly performing regions in contrast had to accept an above average job loss in the creative industry compared to their economy as a whole, which at least should raise doubts about the appropriateness of development strategies for economically poor regions fixing on creative industries. A detailed analysis of the sub industries of which the creative industry is composed of, presents further a diverse picture in terms of job development. The classical culture industries have been losing jobs between 2003 and 2008, especially the book market (-2,6 % annually), but also music, arts and movies. However, there are markets with strong increases in terms of jobs; especially software / gaming, design and advertising. In fact the software / gaming market is due to its size nearly solely responsible for the overall positive job development of the creative industry in Germany. All the well performing markets have in common that they are for the most part service or component providers to the producing industry. Design firms supply producing companies with product designs and the software industry creates programs for companies and machinery. The strong connection between creative and producing industry was obvious in our analyses of the Bergisches Land, an old industrial area in North Rhine-Westphalia with a very poor economic performance. The only industries of some potential (in terms of cluster concentration) are the design market and the advertising market and within this market especially firms which are specialised in trade fairs arrangement. However the latter are not integral part of the official understanding of creative industries in Germany. Focus group discussions with entrepreneurs from these two markets and their customers prove that these markets are highly dependent on the orders of the producing industry. On the other hand the practitioners from the markets point out that Germany’s producing industry is dependent on high quality design and branding in order to maintain competitiveness in a high wages country. In the light of these findings we see a massive danger that trendy instruments to support the creative industry are totally misunderstanding the context in which Germany’s creative industry is operating in most regions. Probably except the case of some big cities like Berlin, large markets of the creative industry are highly connected to the producing industry especially in old industrial areas. A development strategy in old industrial areas which supports only the creative industry in order to overcome dependence on the producing industry could go wrong, because an industry can simply not grow sustainably without customers. To state that does not mean that the cultural sector of the creative industry is unimportant for regional development, especially old industrial regions are depending on a high quality and diverse cultural sector for regional attractiveness and living quality. However, to support sculptors and musicians alone will not lead to sustainable growth in poorly developing regions. Good development strategies in old industrial areas must assess the potential of the region accurately and honestly. They should take a broader view on creativity and consider interconnections of the creative industries to other industries as well as to the whole region. A simple copying of fashionable development strategies bears the danger of wasting public money and even harming the industries which were aimed to be supported.

VARYING REGIONAL STRATEGIES IN THE IMPLEMENTATION OF AN OPEN ENDED, STATE-SUBSIDIZED EMPLOYMENT PROGRAMME IN GERMANY

Philipp Fuchs, IAB - Institute For Employment Research, GERMANY

Despite significant improvements regarding the general economic conditions as well as intensified activation efforts, integration into the first labour market for some of the longterm unemployed remains highly unlikely even in a medium-term perspective. This diagnosis motivated the passing of § 16e of the Second Social Code (SGB II), a wage subsidy covering up to 75 % of the gross wage which can be allowed to companies for the employment of a longterm unemployed person with multiple obstacles to placement. Following an initial two-year period the wage subsidy is to be granted on an open-ended basis if the recipient still proves to lack a realistic chance of integration into the first labour market. Due to decentralized governance structures the agencies in charge of the programme's implementation, the jobcentres for the longterm unemployed, have a substantial scope causing considerable differences in the regional implementation process. Based on the analytic framework of the actor-centered institutionalism, developed specifically for the purpose of implementation research, it will be tried to explain these differences and regional variations in the implementation process. While some jobcentres generate comparatively large case numbers others tend to ignore the programme or forego the option of granting an open-ended subsidy after the initial two-year period. Varying interpretations and modes of appropriation among the executive personnel of the regional jobcentres prove to be crucial to the explanation of different modes of implementation. The programme's appropriation essentially functions as an interpretative filter shaping the implementation. A typology covering three distinct types of interpretation by the executive personnel and the resulting regional implementation strategies will be presented as well as conclusions regarding the political and implementational difficulties of an open-ended wage subsidy.

IMPACTS OF THE GLOBAL FINANCIAL CRISIS ON CEE: A POST CRISIS BANKING RECONSTRUCTION; THE CASE OF HUNGARY

Zoltan Gal, Centre For Regional Studies, HUNGARY

Global financial capital has, undeniably, come to play an important role in all 6;transition; economies. While the current global crisis has had devastating effects everywhere, many former state-communist countries in Europe are among the ones hardest hit and CEE is falling behind its peers in other emerging markets. This paper argues that the global financial and economic crisis revealed the weaknesses of the post-socialist neo-liberal economic development model in East-Central Europe. The paper examines the uneven financial relations and their impacts on the post-crisis reconstruction. The financial crisis revealed that those countries, lacking appropriate local banking structures, the strong dependence on the foreign (Western) banks could be a considerable destabilizing force. In contrast with the Anglo-Saxon model the continental bank model with a stronger local embeddedness of banking (such as co-operative banks, regional orientated saving banks) contribute to stable financial markets and it is a stabilising factor in the financial, system. Thus, the persistence of local activity in West European banking with the consolidation of the banking industry generates typical core-periphery problems, not only inside old EU member countries but also between old and new central and eastern (CEE) member states. Foreign direct investment in banking is closely connected to the banking system in CEE, which has received considerable attention from both the theoretical and empirical perspective. However, much less attention is devoted to the asymmetric power relations which are one of the major determinants of IFC formation within the ;de-nationalised dual banking system;. CEE suffers from a ;de-nationalised dual banking system;, consisting of large foreign (outside of the region) banks and small local banks. The paper examines the three aspects of these asymmetric power relations through Hungarian examples: First, the unequal parent;subsidiary relations, which mediate strong controlling functions and also assess the concentration of controlling functions over CEE within the European IFC network, from where these investments are controlled. The paper evaluates the inter-linkages and the geographical distribution between subsidiaries and their parent banks; locations. The paper brings evidence on how cross-border financial exposures and the related risks of contagion channelled between West European and CEE financial centres are resulting an asymmetric shift in capital flows and contributing to the further polarization of the post-crisis European financial landscape. Second, the paper focuses on the internal

features and organizational polarization of the dual banking system characterised by the weakness of locally founded banks. The banking and insurance sectors are characterised by the concentration of large companies (large banks) in predominantly transnational ownership. By contrast, domestic providers of financial services (e.g. cooperative savings banks) are not significant players on the market. Third, the paper argues that the dual nature and fragmentation of the banking sector has not only organisational but geographical aspects. This intensifies the duality of not only the organisational but also that of the spatial division existing between Budapest-(capital-city) based financial service providers and those outside the metropolitan region that are to struggle with manifold competitive disadvantages. Dual banking system also accentuates the 6;spatial gap; between those who have access to finance and those who do not, in other words the process of financial inclusion and exclusion. In conclusion the paper brings evidence on EU policy and the Hungarian government initiatives emphasising the development of domestic financial markets and local banking structures in order to make the CEE region far less dependent on external sources of financing and to avoid debt crisis.

Gateway Plenary

THE NEW REGIONAL DEVELOPMENT PARADIGM IN OECD COUNTRIES LESSONS FOR A PLACE BASED APPROACH

Jose Enrique Garcilazo, OECD, FRANCE

The OECD has promoted a new approach to regional policy, which shifts the emphasis away from subsidising business and employment in poorer regions to a policy capable mobilising the endogenous assets and resources present in regions. Instead of a zero-sum game of taxing high-wealth areas to subsidise activities in low-wealth regions, the accent is rather on the positive-sum game of mobilising resources. My presentation will first provide a summary of what drives growth in OECD regions. Second it will discuss the links between regional and aggregate growth and finally it will address policy implications.

Gateway C

PROMOTING REGIONAL BALANCE - THE EXPERIENCE OF THE UNITED KINGDOM IN THE POST-WAR PERIOD

Ben Gardiner, European Commission (JRC-IPTS), SPAIN

At the present time there is much debate as to how the United Kingdom can secure a better distribution of economic growth and activity across its regions. The British Treasury has announced ‘The Government’s economic policy objective is to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries. The Budget and Spending Review both announced action to meet this objective.’ (HM Treasury 29th November 2010). The concept of regional balance has thus moved to the centre stage of current policy debate. However, there would appear to be very little thinking as to what this actually means with existing discussion tending to emphasise the need to encourage more private investment, and thus jobs, in those regions that currently have relatively high levels of employment in the public sector. Thus, in Budget 2010 the UK Government introduced a regional employer National Insurance Contributions holiday for new business which was applied to eligible businesses set up in target regions and countries where there is the greatest dependence on public sector employment. This paper is concerned to understand more about the concept of regional economic balance and, importantly, how it might be measured empirically. It begins by considering balance from the viewpoint of a number of disparate theoretical approaches. It then seeks to derive measures at the regional level in the United Kingdom drawing on a number of different data sources and discerning cyclical movements from what might be regarded as longer term trends – in particular it makes use of Cambridge Econometrics’ detailed regional database that can trace patterns of economic development in local areas back to the 1970s. The third section considers the scope for regional policy intervention drawing on what is known about the impact of previous policy intervention in the United Kingdom.

GEOGRAPHY OF FINANCE IN TIMES OF POST-CRISIS: RETHINKING THE THEORIES OF CUMULATIVE CAUSATION

Stefan Gärtner, Institute Work And Technology, GERMANY

After having ignored spatial proximity, knowledge spillovers and culture for long, many theories (e.g. the world city hypotheses, the growth pole theory or the new economic geography) now emphasise the importance of geographical proximity and discover the spatial concentration and specialisation of economic as a cumulative process. This is especially true for the highly knowledge-driven financial markets, concentrated in powerful world cities. However, in regard to the financial crisis the question arises, if regional decentralised financial intermediates with a regional scope could serve companies more efficient than international acting banks concentrated at the worldwide financial hubs. The paper will provide evidence that in Germany regional orientated banks contribute to stable financial markets and reduce the credit crunch, using data for the whole population. Furthermore, it will be scrutinized whether the actual and future meaning of the world cities as powerful and wealthy spaces of the elites prove true. The hypothesis is that a strongly regulated as well as a fragmented financial business will reduce the influence of the supposed powerful place. From a theoretical perspective, the role of space, different types of proximity, trust respectively confidence and a sense of responsibility will be addressed. It will be suggested that in some sectors (banking, health etc.) geographical proximity to the customers are more important as within the supply chain. An aspect which needs to be considered in urban theories, as it leads to a more decentralized landscape of service industries.

THE OUTWARD PROJECTION OF ITALIAN LOCAL SYSTEMS: GEOGRAPHICAL AND INDUSTRIAL FACTS

Marco Giansoldati, Ca' Foscari University Of Venice, ITALY

Giancarlo Corò, Ca' Foscari University Of Venice, ITALY

Mario Volpe, Ca' Foscari University Of Venice, ITALY

In the last two decades globalisation has prompted a great deal of attention in the study of the international organisation of production, with in-depth industry studies on its welfare effects, both for firms and for workers. Outcomes did not prove a unique direction of effects, although the heterogeneous firms' approach emphasised the welfare intra-industry reallocation through intra-sectoral international competition. Thus, differences in the inner structure of companies filled the gap on the micro level analysis that featured the study of international trade. However, there is still the need to understand the effects of internationalisation to local systems of production and link such results to the meso level of analysis of trade flows. Indeed, thanks to a new data set provided by Istat, the Italian National Institute of Statistics, we are able to access deep information on the presence of Italian firms abroad with a high detail of geographical area of origin. Together with data on intra-group trade flows, industry classification and group performance indicators, we are able to provide a broad picture of the outward projection of Italian districts abroad. Combining trade flows and investment data we shed some light on the heterogeneity of industry and destination areas, emphasising the real offshoring underneath each sector. In addition, we analyse effects of different levels of local openness upon labour market and service sector.

HOW MUCH CAN THE CREATIVE INDUSTRIES CONTRIBUTE TO REGIONAL DEVELOPMENT IN BRITAIN?

Christopher Gibbon, BOP Consulting, UK

Since the 'creative industries' term was first taken up by the British government in 1998, the industries have quickly come to be seen as a particular strength of the national economy. The country is believed to excel in

many creative fields and the industries have been seen as a sector which is capable both of providing knowledge-intensive jobs and of helping to fill the gap left by the decline in manufacturing and the loss of some business service jobs to outsourcing. Economic development bodies were quick to latch onto the potential of the creative industries. At various points in the last ten years, all nine of the Regional Development Agencies in England made the creative industries a priority sector. The first decade of this new century also saw two ideas with strong creative or cultural overtones gain influence among economic development professionals in the UK: Richard Florida's notion of the creative class, and the 'Bilbao effect'. Culture has come to be seen as a way of jump-starting economic regeneration, boosting tourism and offering new sources of employment. The combination of these two ideas and the relative strength of British creative industries led many economic development agencies to see the creative industries as a tool for city-centre economic revival. Money was spent on shiny new cultural buildings and projects in many of Britain's larger cities. Newcastle, Manchester, Glasgow, Birmingham and Liverpool have all invested heavily in culture and the creative industries. Yet the evidence suggests that this has had limited effects. BOP Consulting's research indicates that creative industries businesses tend to be small and to serve primarily local or regional markets. As a result, they tend to be more concentrated in areas with a strong private sector, affluent consumers, good transport links and a pleasant physical environment. In Britain these factors tend to be found especially in central and west London, and in parts of the wider London city-region. This paper will explore the geography of creative industry employment in Britain in more detail. It will argue that understanding London's role, and its effects on its hinterland, is crucial to understanding Britain's creative economy. The academics Peter Hall and Kathy Pain have argued persuasively that London's economy stretches across a huge, polycentric city-region covering almost all of the South East of England, from Southampton in the west to Peterborough in the north. This city-region dominates the creative economy of Britain, and includes a variety of suburban and rural environments. Because of their place within the city-region's wider economy these environments can be appealing locations for creative businesses. Indeed, those suburban districts and smaller towns which lie within this giant city-region are often better placed to take part in the creative economy than are larger cities, especially those in the north of England, which lie outside this zone. Does this have implications for creative industries policy? There is some evidence that creative industries contribute to wider business innovation, particularly through design, branding and marketing. Taken together with the other factors, this suggests the creative industries may be more likely to help already strong areas deepen their range of economic activity than to kick-start regeneration in economically depressed places. Policy-makers may need to develop a greater awareness of what the creative industries can (and cannot) contribute to a place's economy.

Gateway V

KNOWLEDGE IN A 'SHARED AND INTERDEPENDENT WORLD': IMPLICATIONS FOR A PROGRESSIVE LEADERSHIP OF CITIES AND REGIONS

John Gibney, University of Birmingham Business School, UK

This paper suggests the need for a more penetrating research agenda around the theme of leadership for progressive urban and regional development. Whilst a much improved understanding of the leadership contribution is emerging in the urban and regional studies context, no strong organising discourse has yet surfaced in the debate around the economic and social well-being of cities and regions that might serve as a guide to the development of a more critical research and leadership development agenda going forward. This paper seeks to contribute to debate around theory and practice by exploring the idea that it is knowledge 'writ large' – how it is created, nurtured, combined and deployed - that lies at the heart of a progressive transformation of cities and regions. And that consequently, we need to think of how leadership works in, for and through these settings alongside a broader understanding of the dynamics of knowledge. The paper draws on recent research and policy literature to present an argument for a re-framed leadership practice across European cities and regions and concludes with suggestions for a new combined and underpinning research agenda.

RURAL GOVERNANCE IN THE CANADIAN PERIPHERY: LESSONS LEARNED FOR REGIONAL DEVELOPMENT

Ryan Gibson, Memorial University, CANADA

Communities throughout Canada are seeking new forms of governance to address challenges and opportunities associated with changing social, economic, and environmental dynamics. Rural and northern communities encounter particular challenges related to distance, space, and capacity that influence the development and implementation of new governance initiatives. Despite these challenges communities in the Canadian periphery are deliberately seeking localized means of decision making and planning to address these ever-changing circumstances. As rural and northern communities become more responsible for local development provincial and federal levels of governments are searching for methods to respond, facilitate, and participate in these new governance initiatives. Rural communities are witness to a shift from models of government to governance; a change whereby collaborative local stakeholders are empowered to contribute to and shape policy and strategies. This shift creates new demands on local or regional partners regarding human and social capacity, partnerships, and communications. Active local community participation is a key conceptual underpinning of these emerging rural regional governance initiatives. To enhance the understanding of the influence of people, relationships, and geography on rural governance initiatives several multi-year case study research projects on new rural and regional governance have been undertaken in three Canadian provinces and two territories over the past decade. These empirical assessments of governance in the Canadian periphery have assessed the appropriateness of the collaborative governance and new regionalism perspectives for describing the rural governance phenomena. In particular, the roles of partnerships, collaboration, capacity, and geography have been examined. The findings that emerge across these multi-year case study research projects hold relevance for regional and community development practitioners, policy makers, and researchers and illustrate six key themes: - Partnerships: Through the case study research project the value and importance of formal and informal partnerships was essential. Robust partnerships required engagement from multi-levels, such as communities, community serving organizations, government departments, academic institutions, and the private sector. Commitment by individuals and organizations is viewed as a prerequisite of partnerships. -Communications: The need for enhanced communications within communities and across scales was the second emergent theme. Due to distances in the Canadian periphery the role of communications, such as Internet based technologies, played a critical role in governance initiatives. -Collaboration and Sharing of Power: The role of horizontal and vertical collaboration was demonstrated as essential in governance initiatives in the Canadian periphery. Collaboration was seen as a vehicle for creating open forums for communication and to permit discussions and actions across silos. Collaborative governance moves beyond short-term, project or issue specific partnership arrangements but these arrangements often provide a starting point for building critical personal and organizational relationships. - Scale: Given human and financial resource challenges at the local level and centralized provincial and federal government structures the sub-provincial/multi-community region has become a focal scale for new rural governance. -Capacity Building: Within each of the case study research projects governance initiatives in the periphery required new and enhanced capacities for governance leadership, financial management, conflict resolution, and relationship and partnership management. -Evaluation: To ensure evidence-based decisions regarding governance initiatives in rural and northern areas appropriate evaluations are required. Evaluations need to engage all partners, applied at multi-levels, and developed with the recognition that governance processes can not be easily measured within short periods of time. Learning-focused evaluation provides important opportunities for enhancement of rural governance structures and processes over time. The need to understand governance in the Canadian periphery is a critical issue at the provincial, national, and international scales. An increased understanding of new rural regional governance models is essential to ensure innovative public policy to support peripheral regions.

MODELLING THE REGIONAL EMPLOYMENT IMPACTS OF RENEWABLE ENERGY EXPENDITURES

Michelle Gilmartin, Fraser Of Allander Institute, UK
Grant Allan, University of Strathclyde, UK

UK regional policymakers have placed emphasis on the economic ‘dividend’ associated with investments in renewable energies. It has been argued that expenditures on the manufacture, installation and maintenance of renewables devices will have positive local economic impacts, including the creation of local employment opportunities. Within Scotland in particular, there is a policy focus on encouraging domestically-based renewable technologies, including marine energy. In this paper, we use a regional Computable General Equilibrium (CGE) framework to model the impact on the Scottish economy of expenditures relating to marine-energy. We find that the impacts on Scotland depend on the strength of the local supply chain. The results illustrate the potential for (considerable) economic ‘legacy’ effects after expenditures cease. In identifying those sectoral expenditures with the largest impact on (lifetime) regional employment, this approach offers important guidance for regional policymakers.

DISCONNECTIVITY IN UNIVERSITY - INDUSTRY RELATIONSHIPS: EVIDENCE FROM A PERIPHERAL REGION

Enea Gkikas, University Of Wales, UK

Innovation Surveys, such as Community Innovation Survey (CIS) have been widely used over the last few years for the study of innovation activities. Whilst much has been written about the developed regions, not much emphasis is given on less competitive ones. Given that the level of business innovation can explain competitiveness, understanding the dynamics of firm innovativeness is important. In addition, this becomes crucial for less competitive regions and is therefore worth investigating. This study addresses two important elements: the regional dimension of business innovation and the implication for uncompetitive regions from which lessons for innovation policies can be derived. This paper uses data from the UK Innovation Survey 2005 and assesses the innovation activities of companies in Wales, one of the least competitive regions of the UK and amongst the worst performing regions in the EU economically speaking. Several findings emerged from the UK Innovation Survey. First, in the three-year period 2002-04, 24% of businesses were product innovators, 16% were process innovators, while 57% of businesses in Wales were active in developing or implementing innovations. Second, regional markets are those ones that are the most dominant. Less than half (48%) of the firms in Wales operate at a National level and 19% outside the UK, and just 14% worldwide. A recent paper by Criscuolo, Haskel and Slaughter, based on UK firm data, found that firms who operated in international markets tended to exhibit higher innovativeness and productivity, offering important lessons for boosting innovation in the Welsh private sector. Third, we know that innovation does not take place within the firm only; firms look outside their borders in order to obtain information that will lead them to new innovative activities. The most innovative firms often co-operate and collaborate with various stakeholders in a number of different ways. The overall percentage of innovative firms that engage in such agreement or collaborations in Wales is only 11% however. Of interest here is that the majority of these collaborations were at a national and regional level (65 and 63% respectively). At the international level the figures come at 16% for Europe and 16% for the rest of the world. In addition, the most frequent partners for collaboration were suppliers and clients/customers (74% and 71% respectively). The number of corporation partnership is lower for Universities and Government or public research institute (41% and 32% respectively). Fourth, more than half of the average distribution total business turnover (57%) is attributed to unchanged products. Just 16% of average distribution of total turnover is attributed to ‘significantly improved’ products/services. In addition, innovative activities that were perceived as ‘new to the market’ were responsible for only 9% of average distribution of total business turnover. Fifth, cost related factors are perceived as the most constraining factors to innovation. Direct innovation costs, cost of finance, perceived economic risks and availability of finance are perceived as ‘high’ constraining factors to innovate for the region of Wales. This indicates that finance is a concern in Wales for companies seeking to innovate. Finally, with respect to innovation protection methods, whilst the vast majority of firms do not use any

formal methods of protection (e.g. patents, trademarks, etc) and/ or strategic methods of protection (e.g. secrecy, complexity of design etc), confidentiality agreements have the highest perceived level of importance for innovative firms in Wales. The second most important method for protecting innovation is being the first in the market. The lead-time advantage on competitors is perceived as 'high' method of importance for protecting innovation. A higher proportion of innovative firms in Wales protect their innovation via secrecy and trademark, meaning the likelihood of improving performance through Chesbrough's Open Innovation approach is somewhat limited. The paper concludes that there is a significant disconnect between businesses and universities in Wales. Although universities have been found to be drivers of knowledge within Wales, Welsh businesses perceive interaction with universities as sources of innovation to be of the least importance, instead viewing from the businesses within the same region. Addressing this would be a small, but important step towards improving Welsh performance and offer important lessons for other lagging regions, not least how the ties can be strengthened but also why.

Gateway H

ECOLOGY MEETS ECONOMY: ECOSYSTEM SERVICES AND SUSTAINABLE REGIONAL DEVELOPMENT POLICY

Peter Glaves, Northumbria University, UK

The sustainability of regional and strategic planning in Britain and across the European Union is currently assessed using Sustainability Appraisals (SA) and Strategic Environmental Assessment (SEA). Recent reviews of the current application of SA and SEA to review regional planning have identified clear limitations and areas for improvement. An ecosystem services approach offers an alternative approach for assessment of regional planning. Ecosystem services are the benefits and services people derive from their environment; ecosystem service based approaches were promulgated in the Millennium Ecosystem Assessment and have been applied to a range of locations in particular in relation to biodiversity management and local planning. Previous studies by the authors have shown that an ecosystem services approach can successfully input and add value to local and sub-regional planning and decision making, the potential of such approaches to input into regional and strategic planning has not previously been investigated. The application of an ecosystem services approach to regional planning was tested via a case study review of the 2010 Regional Spatial Strategy for the East of England to 2031 planning process and its associated SA. The findings showed that an ecosystem service based approach to regional planning considers sustainability issues which are currently beyond the remit of formal planning and therefore not considered in SA, e.g. changes in farming and forestry practice. An ecosystem service approach inputs into key stages of an regional and strategic planning in particular in relation to screening and scoping, option development and testing and consultation buy-in. An ecosystem services approach can also provide a more tangible approach for consultation as it relates directly to how people currently and potentially benefit from their environment. The case study has shown that an ecosystem services approach to regional planning is feasible and adds value to existing approaches. The ecosystem services approach is compatible with a triple bottom line approach to regional and strategic planning in that it links environmental sustainability (i.e. the ecosystem) to economic and social sustainability (via the benefits and services which underpin such sustainability).

Gateway V

THE CIVIC UNIVERSITY AND THE LEADERSHIP OF PLACE

John Goddard, CURDS, Newcastle University, UK
Paul Vallance, CURDS, Newcastle University, UK

The paper discusses the drivers and barriers behind university engagement in city and regional development and the role of leadership in building bridges between the university and civil society in a particular place. It draws upon ongoing OECD reviews of the role of universities in city and regional development which have highlighted the leadership challenge for both universities and regions if effective collaboration is to be established. These challenges are viewed in the context of debates about the role and purpose of public

universities and parallel calls for a more holistic approach to territorial development and for place based leadership. The two debates are brought together in the concept of the 'civic university' and the themes illustrated by evidence gathered from research to scope a universities and civic leadership development programme undertaken in the cities of Bristol, Newcastle and Sheffield.

Gateway G1

HOW LONDON GOT AWAY WITH IT

Ian Gordon, LSE, UK

Capital cities seem to have particular difficulty in securing effective autonomy to pursue their own economic and physical development strategies independent of the overview or direct control of national governments. Certainly this seems to have been London's experience in relation to the UK government. This tendency may be expected to work against the interests of representative citizens, whose potential for democratic control is constrained in this way. In times of crisis, when there are threats to key activities in the capital city that are perceived as of national importance, this close involvement may well serve to provide more protection to it. Even in this case, however, it is questionable how far representative citizens necessarily gain from actions apparently favouring their place of residence. This paper focuses on the case of London's position during the economic depression of the past 3-4 years, since the emergence of the US sub-prime crisis. Whether from the perspective of moral responsibility, or the observed dynamics of previous boom and bust cycles, it was fairly generally anticipated (certainly by Gordon et al., 2008 and 2009) that London would in the short-medium run be the most severely hit of the UK regions in the recession initiated by the 2007/8 financial crisis. This expectation has conspicuously failed to come true (part of the story of the crisis more generally), with London emerging on some indicators at least as less scathed than any other UK region. This paper will try to make sense of how this has come about – whether because of an inherent robustness, being too big to be allowed to fail, and/or other specific factors – and consider what implications it should have for policy (regional or other). Gordon, I.R., Travers, T. and Whitehead, C. London's Place in the UK Economy, 2008 and 2009/10 editions, City of London Corporation.

Gateway M1

PARTICIPATORY APPROACHES IN DEVELOPMENT MANAGEMENT - EXPERIENCE IN DESIGNING AND IMPLEMENTING NATIONAL DEVELOPMENT STRATEGIES IN EUROPE AND AFRICA

Ulrich Graute, United Nations, USA

Planning at all levels is a complex challenge and is usually related to different interest of a wide range of actors. The paper looks at the role given to and the approaches chosen by Economic and Social Councils (ESC). These consultative bodies exist in many European and African countries. Although they focus traditionally on social dialogue related to labor policy and other social and economic policies, they are also involved in the design and discussion of national development strategies. The paper looks at the example of Hungary where the ESC coordinated the public dialogue about the national development strategy in preparation of the current EU Structural Funds period 2007-2013. The second example is taken from Kenya where the National ESC is a driving force behind the strategy 'Kenya 2030'. The analysis of these examples highlights the opportunities pluralistic consultative bodies have to promote consensus finding on complex development issues.

Lidia Greco, University Of Bari, ITALY

The paper investigates the mechanisms that have constrained the development paths of an old industrial area in Southern Italy, Taranto. The economic adaptation of the area, home to one of the biggest European steel complex, has proved to be largely insufficient during the last fifty years: as it did in the past, the steel industry still influences Taranto's socio-economic dynamics, despite the privatisation process of the early 1990s, which brought downsizing and workforce reduction. The paper seeks to explore how socio-economic relations, operating across different scales, interact in the reproduction of Taranto's economic and social landscape through time. From a theoretical perspective, the analysis relies on the insights provided by the evolutionary perspectives that have recently come to the fore in regional studies, but also by historical sociology. In fact, the latter emphasizes the role of history and power relations on institutional change: mechanisms of cumulative causation are mainly fostered by social values, reflecting asymmetrical power relations and interests, as well as by wider structures of accumulation, affecting contextual dynamics. The analysis of the Taranto case is based on empirical evidence. Accordingly, a number of socio-economic factors hindering the area's economic adaptation are identified: namely institutional hysteresis (with reference to industrial relations, political elites and clientelism), institutional thinness, mono-production. In addition, sensitive to a political economy approach, such analysis considers the functional position that the Taranto's industrial complex holds in the international division of production and labour. Despite restructuring and privatisation, the industry is involved in low value added activities which render it particularly vulnerable to competition. Finally, the paper considers if, and in what ways, the environmental movement, emerging in Taranto, and the left wing regional government could become de-lock in mechanisms or, in other words, could constitute 'critical junctures' for the area's economic trajectory.

Anne Green, IER, University Of Warwick, UK

Active job search is central to moving from benefits into work and its encouragement is a key component of UK Government policy. There is a dearth of recent analyses of job search behaviour examined in its own right in the UK, although there have been important changes in the policy, economic and technological context. In policy terms there has been increased emphasis on labour market activation and conditionality, coinciding latterly with recession. In relation to technology, a key development has been the rise of the Internet and its impact on job search methods and recruitment practices. Since employers are gatekeepers to jobs, their recruitment and selection processes are crucial in determining access to jobs. Yet employers' recruitment and selection processes have been relatively neglected also in academic research until recently. There is increasing debate about the relative importance placed by employers on qualifications (as a proxy for 'hard skills') vis-à-vis soft skills and personality traits – especially for less skilled work. Moreover, in the context of large volumes of applicants for many jobs in a fragile economic climate there are ongoing concerns about how information shortcuts in employers' recruitment decisions may lead to discrimination (by gender, race, address, etc) and an entrenchment of pre-existing patterns of labour market segmentation. The paper seeks to go some way to fill the gaps in recent evidence on job search and employers' recruitment practices by presenting descriptive and multivariate analyses of UK Labour Force Survey (LFS) data on job search - with primary stress on Internet use and with a secondary emphasis on social networks, and also by highlighting results from case study empirical research focusing on employers' use of shortcuts in recruitment. It then goes on to explore which population sub-groups are likely to be placed at a disadvantage, as a result of ongoing developments in job search and employer recruitment behaviour. Analyses of LFS data show that in 2009 just over four in five job seekers made use of the Internet to look for work. This is indicative of the fact that the Internet and related ICT have had a marked impact on the job search process in recent years. The significance of the Internet for job search is not merely a function of the number of job seekers that make use of it, but also that other job search channels and information exchange between job seekers and employers may be enhanced by the possibilities offered by the Internet and ICT. The increasing policy emphasis on increasing the use of digital media in the job search process and in

delivering Jobcentre Plus services has fuelled concerns about the ‘digital divide’. This divide is itself dynamic and complex, encompassing aspects of ‘exclusion’ and ‘choice’. Multivariate analyses of LFS data on use of the Internet in job search from 2006 to 2009 point to a significant and consistent reduction in the use of the Internet to look for work as people age, with the youngest age groups being most likely to use the Internet in their search for work and the oldest age groups being least likely to do so. A very significant positive relationship between education and use of the Internet in job search is evident also. People living in London are more likely to use the Internet than people living elsewhere. Despite the increasing importance of the Internet in job search, the literature suggests that the use of social networks continues to play an important role in the job search process. Particular emphasis in the literature has been placed on ‘the strength of weak ties’. Studies on job search methods used by job seekers indicate that asking friends, relatives and acquaintances for information regarding job opportunities is a common and useful practice, with the quality of an individual’s network being of key importance. Analyses of LFS data for the period 2006-2009 and evidence from the literature reveal that social networks are a relatively common method for job search, particularly amongst those in manual occupations and those with no qualifications. There is some qualitative evidence from local case study areas that at times of economic austerity some employers use information shortcuts (including residential area reputations) to screen applicants and so make the selection process more manageable, and/or restrict the recruitment process to ‘family and friends’ of current workers to fill labour needs in the first instance. This has the potential to entrench existing patterns of workforce segmentation and labour market disadvantage. The paper concludes by emphasising that processes of job search and recruitment are subject to ongoing changes. While digital media have the potential to improve information flows and facilitate ‘matching’ of workers to jobs, the relative disadvantage of the least skilled in areas of deprivation may be exacerbated.

Gateway P2

ON SPECIFYING HETEROGENEITY IN KNOWLEDGE PRODUCTION FUNCTIONS

Giovanni Guastella, Università Cattolica Del Sacro Cuore, ITALY

Linear models are usually taken as a basis for the analysis of input-output relationships in the production of new knowledge. The use of a linear specification has several advantages, among which the possibility to extend the model allowing for spatial heterogeneity and spatial spillovers. However, given the count nature of patent applications data, which is usually taken as dependent variable, linear models may be inappropriate and a more careful specification is needed. A second problem concerning the standard linear approach to the estimation of a Knowledge Production Function (KPF) equation is that spatial effects may arise because of real interactions occurring between areal units, as well as because of unobserved heterogeneity. This analyzes the innovation-research relationship through a non-conventional specification of the KPF approach. Instead of assuming normality of patent applications, we use a model for count data allowing for overdispersion. Moreover, instead of omitting heterogeneity from the model, allowing it to make part of the error term, and only after introducing the right spatial structure for the residuals, we prefer to include heterogeneity explicitly in the model. This is done with Generalized Additive Models, in which a spatial trend is included as a smooth linear function of geographical coordinates. The count data model with spatial trend is consequently estimated by means of a semi-parametric estimator. Externalities and spillovers are accounted in the model including spatial lags of explanatory variables in the right-hand side of the patent count equations. To estimate the model we use data on 176 European NUTS II regions and the analysis is restricted to high-tech and medium/high-tech industries, because the knowledge production process is especially hypothesized to function for those. Expenditure in research activities, share of employment in high-tech and in knowledge intensive services, and the presence of science-based universities are considered as determinants of regional patenting activity. Results indicate that regression coefficient are strongly biased by the omission of heterogeneity. It is important to correct for this, as research policies usually are oriented on fostering cooperation between European regions in research projects. Instead, our estimates reveal the presence of negative externalities which indicate strong interregional competition, rather than cooperation, for knowledge production.

MOBILE LIFESTYLES : EVIDENCE OF SOCIAL INEQUALITIES FROM CASE STUDIES IN FRENCH URBAN PERIPHERIES

Lionel Guillemot, University Of Angers, FRANCE

Living in urban peripheries means that people chose to spend hours per week in their car, commuting between their home and their work place, but also driving children to school, to their leisure activities... Car is compulsory, unavoidable for most people living in French urban peripheries as there are no public transports available there! When we interviewed people, we could point out that there are different ways of facing car-dependency (almost addiction), mobility. Some people could cope with the costs of mobility (time, money, ...), by sometimes working from their home or being able to escape from traffic jam in having flexible timing to reach their offices, while for others, these costs were getting too much expensive (hours spent on traffic jam, cost of petrol getting higher and higher, cost of the nanny, ...), if not preventing them to being mobile. Planners are now looking for new mobile opportunities in urban peripheries, as trying to implement new transport services, but it will take years before being efficient, if it really becomes reality? Here again, there will be new inequalities between places (and people): some villages or little towns will be able to provide these services to their inhabitants, but other ones will not be able to finance these services. Will these new inequalities intensify spatial segregation between places in French urban peripheries?

URBAN RESTRUCTURING, HOUSING AND SOCIAL COHESION: THE GOVERNANCE OF SHRINKAGE IN LEIPZIG AND HALLE, GERMANY

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Dieter Rink, Helmholtz Centre For Environmental Research - UFZ, GERMANY

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Urban shrinkage has become a new normality for a considerable number of European cities. It impacts on many fields of urban development such as the housing and job market, the use of urban infrastructures and amenities as well as municipal budget and strategic planning. In consequence, it demands for specific forms of planning and action and, subsequently, new forms of local governance. Actors have to think about new strategies in order to cope with population decline, decreasing densities, mismatches of supply and demand in terms of housing, labour, infrastructures, budget etc. They have to form new networks/coalitions and to embed their action into new normative frameworks that include shrinkage as a reality into long-term/strategic planning. Given this context, the paper analyzes aspects of the local governance of urban shrinkage in two eastern German cities, Leipzig (approximately 515,000 inhabitants) and Halle (230,000). Both cities saw massive population decline within the last decades. As a result of shrinkage, housing supply surplus and vacancies represent one of the main arenas of impact of urban shrinkage, bringing about several consequences for the development of the housing market and social cohesion and segregation. In 2001, a national programme of urban restructuring was introduced as a measure to balance the mismatch between supply and demand on the housing market. The focus of this paper is a twofold one: On the one hand, it reports on the governance of urban restructuring and its consequences for the housing market and the development of social segregation and cohesion in Leipzig and Halle. On the other hand, the paper, analyzing the local governance arrangements, highlights three aspects: the networks of involved actors, the strategies and instruments developed/used as well as the normative frameworks representing the framework and background for action. The paper is structured into three parts. In a first part, the paper describes the situation of housing supply surplus and vacancies in Leipzig and Halle and identifies the research problem. In a second part, the process and results of urban restructuring and its consequences for housing market and social segregation and cohesion are presented. In a third part, the local governance arrangement is looked at more in-depth with respect to the above mentioned aspects actors, strategies/instruments and normative frameworks, before we come to a set of preliminary conclusions. The paper uses empirical evidence gathered within the framework of the 7 FP project SHRINK SMART (May 2009-April 2012).

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Part of the economic success of metropolitan regions is related to how they continuously readapt their economic activities to remain on the forefront of wealth creation (as can be exemplified with their anticipatory economic reorganisations in sectors such as the financial and professional services (Sassen, 1991), high-tech activities (Saxenian, 1996), or in the cultural industries (Scott, 1996, 2000)). This resilience is often explained in the literature by two cumulative processes: first, metropolitan regions have the unique ability to concentrate a multiplicity of resources; second, they are 'hyperscalar' socio-spatial entities in the sense that they inimitably facilitate access to resources located at a distance (Halbert, 2010). In this light, the literature is trying to grasp how the mobilisation of the manifold resources present in the metropolis may contribute to the continuous rejuvenation of their productive system and to the emergence of new economic sectors. Some authors like Hall (1998) have suggested the fuzzy notion of 'serendipity' to account for the role of geographic proximity that would lead to fruitful cross-fertilisation in metropolitan regions. However, it is now acknowledged, following for example the French School of proximities, that geographic proximity cannot do anything per se, but lies on several processes of 'activation' (Rallet and Torre, 2005). In other words, the mobilisation of the almost infinite resources present in the metropolis results from 'organized proximities' that may have to do, depending on the observer's vantage point, with the role of local market transactions (labour circulation), of some large-scale firms (Bonnet, 2009), personal and/or professional social networks (Currid, 2007), community of practices, institutions (Mackinnon et al., 2009), etc (see also Boschma, 2005). These analyses however may tend to lead as a form of observational equivalence between the various forms of proximities, leaving the observer to contemplate the means by which resources may be mobilised rather than the actors that actually contribute to it. I argue in this paper that the mobilisation of the multiple resources that support the development of new sectors or of new economic practices in a given (metropolitan) region may have to do with the role of some organizations that, on a daily basis, work on the consolidation and shaping of emerging economic activities. Such 'metropolitan gatekeepers' (Brandellero and Halbert, 2010) play, by hypothesis, a key but yet underestimated role in the making of a (specific) metropolitan advantage. This paper sets out to describe some intermediary organizations that are illustrative of this coordination mechanism and which action may contribute to explain the resilience of metropolitan areas. Those organizations make use of their hybrid nature (neither entirely private nor public, both formal and informal) to pull together complementary resources and stimulate innovative sectors or practices (when for example they encourage the adoption of an open innovation model). Four major analytical results will then be presented. First, metropolitan gatekeepers are key in promoting what I term elsewhere a 'reflexive coordination' (Halbert, forthcoming) because they initiate many, if not most collective actions and thus contribute to institution building in a given territory. Second, they enable public authorities to 'outsource' the implementation of their economic development policies because those organizations hold a central position in the local-regional milieu. Third, if this support by local and regional public bodies may help metropolitan gatekeepers to strengthen their own position in the local-regional arena, they nevertheless remain fragile organizations, since their economic model is not yet clearly stabilized and their legitimacy is always contested by other competing, and often pre-existing, organizations. Fourth, their strength, which lies in their ability to pull together poorly integrated resources of the metropolitan region, may become a weakness when an emerging economic sector is gaining momentum. Those organizations are indeed often tied up to the local-regional system and may prove unable to support the inscription of new sectors in more global chains of production. In conclusion, the paper will draw some policy implications that may go with the greater recognition of metropolitan gatekeepers' role in sustaining nascent or rejuvenating activities. First, public policies may need to find ways to support more openly those crucial but fragile intermediary organizations in order to increase the innovative capacities and resilience of the metropolis. Second, because of the risk that metropolitan gatekeepers may be 'stuck' to the local-regional level, public policies may fruitfully help them develop actions that go beyond the perimeter of the metropolis to reach other city-regions so as to benefit from the hyperscalarity effect mentioned above (Halbert, 2010). This theoretical argument will be tested in the paper by an in-depth analysis of some cultural industries of the Paris Region (video game, web and multimedia, animation, world music) which have emerged or been rejuvenated in the last decade thanks to the growing role of intermediary associations.

NEW KNOWLEDGE DYNAMICS, NEW REGIONAL POLICIES? EUROPEAN POLICY TRENDS AND IMPLICATIONS

Henrik Halkier, Aalborg University, DENMARK

Being a leader in the new knowledge economy is a widespread ambition in Europe. The Lisbon strategy aimed to make EU “the most competitive and dynamic knowledge-based economy in the world” (EUROPEAN COUNCIL, 2000), and the current Europe 2020 strategy (EUROPEAN COMMISSION, 2010) is even more ambitious because knowledge now is seen as a key prerequisite not only for economic growth but also for social cohesion. Meanwhile, countless regions across Europe pursue knowledge-based initiatives in support of clusters, innovative milieus, and triple helix relations in order to claim their stake in an ever more knowledge-intensive future (LAGENDIJK and CORNFORD, 2000). The knowledge economy is, however, a moving target (COOKE et al., 2007; CREVOISIER and JEANNERAT, 2009), and this article reconsiders policies for regional economic development in the light of key findings about the current state of the knowledge economy in Europe and its regions, as explored in other contributions to this Special Issue of Regional Studies. If knowledge processes and patterns of economic interactions have changed while public policy sticks to well-beaten paths reflecting previous manufacturing paradigms, the case for reconsidering regional economic governance practices would seem to be a strong one. The article consists of three parts. The first part outlines the rise of knowledge-oriented regional policy in Europe through a literature survey and presents the conceptual framework for and the methods employed in the ensuing empirical analysis. The second part analyses existing policies in European regions and their impact on knowledge processes, combining the results of a survey of the policies regional development bodies in European regions, and the findings of an extensive series of in-depth case studies processes of economic change in firms and regions with regard to the impact of public policies on innovative knowledge processes. In the final part future developments are discussed in the light of the results of empirical research into new knowledge dynamics, including those of other contributions to this Special Issue, that have implications for the focus of public policy in terms of, especially, geography, knowledge targets and knowledge inputs.

RDAS, REGIONAL POLICY AND KNOWLEDGE DYNAMICS - A EUROPEAN SURVEY AND BEYOND

Henrik Halkier, Aalborg University, DENMARK

How do RDA policies impact on and reflect changing knowledge dynamics? Like other public policies, regionally-based economic development initiatives are located at the intersection between institutional path dependencies – using tools available in the current governance set-up – and a capacity for innovation through learning from new challenges and being inspired by policy practices elsewhere. The policies resulting from this meeting will to a greater or lesser extent address emerging issues like new knowledge dynamics, and this article undertakes an analysis of current regional policies in regions across Europe in relation to current trends in the knowledge economy. The paper is divided into four parts. First a brief literature review traces the rise of (and rationale for) knowledge-oriented regional policies in Europe, and presents the conceptual framework for the analysis. Second, results from a major survey of RDAs and their activities in regions across Europe is used to identify key aspects and variations of current policies in terms of strategy, targets, instruments, governance and knowledge implications. Third, patterns of policy variation are discussed in relation to the three main contexts in order to get a first indication of the relative importance of the factors shaping regionally-based development initiatives, i.e. the balance between ‘problem logic’ (similar economic challenges result in similar policies), ‘governance logic’ (similar forms of governance result in similar policies), and ‘policy logic’ (involvement in national/European programmes result in similar policies). Finally, the concluding section sums up the findings and discusses possible ways of enhancing the use of policy surveys in regional development in Europe.

ENTREPRENEURSHIP AND THE GLOBAL DOWNTURN: REGIONAL AND LOCAL RESILIENCE IN THE UK

Mark Hart, Aston University, UK, Michael Anyadike-Danes, Aston University, UK, Jonathan Levie University of Strathclyde, UK, Karen Bonner

On average each year between 1998 and 2008 there were 973,000 jobs in the UK created through firm entry and 1.8 million jobs created through the expansion of existing firms (Anyadike-Danes et al., 2011). The challenge for an even larger scale of private sector growth as the economy emerges from recession is now at the top of the policy agenda in the UK. The question is how can this best be achieved and how realistic a policy objective is it? Using evidence from the UK Business Demography dataset (1998-2010) and the Global Entrepreneurship Monitor (GEM) UK survey (2002-2010) the aim of this paper is to understand more clearly the entrepreneurial processes at work (as proxied through start-up, survival and growth) at the regional level as the UK economy entered and exited recession. This unique analysis weaves together a narrative based on individual and firm-level data to provide insights into the ways in which entrepreneurial outcomes can sustain regions and drive job creation against a backdrop of economic austerity. In particular, the paper will examine the role of new and established high impact firms in a range of regional and city contexts across the UK. The results of this analysis will have implications for the development of national and sub-national policies designed to stimulate the private sector (e.g., Coaching for Growth; Growth Hubs; Local Enterprise Partnerships).

CLUSTER TRANSFORMATION FROM A SUPPLY CHAIN PERSPECTIVE: THEORETICAL MODELS AND THE CASE OF THE MARITIME CLUSTER IN MID-WEST NORWAY

Lise Lillebrygfeld Halse, Molde University College, NORWAY

The aim of this paper is to develop a deeper understanding of the evolution and transformation of clusters. Knowledge concerning the evolution of clusters is of vital importance in order to capture consequence of the globalization of clusters we are now witnessing. Globalization of clusters may represent a paradox since their competitive advantage lies in local things (Porter 1998). A central question is how cluster dynamics will change as value chains mostly contained inside a geographically limited region, with close ties between the actors in the chain, are transformed into globally distributed supply chains. It is of vital importance to obtain a deep understanding of this transformation in order to gain knowledge about the future competitiveness of the firms in the maritime cluster. This paper builds on a global supply chain perspective, which recently has evolved as an established field within cluster research (Gereffi, Humphrey, and Sturgeon 2005). This approach allows for close investigation of agents and the context in which agents' choices are made. Further, the supply chain can be looked upon as both a structure for management and for knowledge flow. Transaction cost theory (Williamson 1975) provides an explanation of how production in supply chains may be governed, whether transactions shall be organized through open markets, integrated in the company (hierarchy) or intermediate arrangements (hybrid governance). The choice of governance is dependent on the complexity of the inter-firm relationship, the frequency of transactions and asset specificity (Williamson 1975). The supply chain perspective and transaction cost approach provides a consistent method of classifying cluster types (Iammarino and McCann 2006; Gereffi, Humphrey, and Sturgeon 2005), which simplifies the analysis and capture the variation of cluster structure and governance. However, transaction cost theory has been criticized for only focusing on means analytic questions rather than on macroquestions regarding institutional factors (Scott 2008), and that the theory does not capture the relevance of history and evolution of cluster. Bell, Tracey and Heide (2009) develop the transaction cost perspective by introducing the concept 'macroculture' into their model of cluster evolution. The term 'macroculture' is, however, only explored to a very limited degree in this model, and the strict categorization of two ideal types of culture may represent a danger of missing important aspects of the role of the institutional context in the model, which has been pointed to as important for the cluster success (Marquis and Battilana 2009). Another weakness is that the model does not explain why clusters evolve and change modes of governance. The macroculture is further portrayed as something immutable, independent of the change in governance structure. In line with Scott (2008), we argue that actors in interaction constitute social structures and thereby affects the cluster macroculture. We further provide deeper explanations for changes and

interactions in governance structure and macroculture based on a case study from the maritime cluster in Mid-West Norway. We claim that that by studying these changes we get a deeper understanding of cluster transformation processes. This insight is gained by analyzing the cluster at two levels, the actor level through the supply chain perspective, and the institutional level, combined with a study of the historical context. Relevance/contribution: The article comments on the shortcomings of the supply chain approach of clusters, and contribute to the research field by providing a deeper understanding of evolution and transformations of cluster. Previous research within this framework has largely overlooked the benefit of conducting longitudinal studies of clusters in order to develop theoretical models, hence, the paper provides a better tool for identifying and explaining transformations we are witnessing with increasing globalization of clusters. This insight may provide a basis for decision-making at cluster and organizational level.

Gateway N

GLOBALISATION AND TERRITORIAL RESILIENCE: A SUGGESTED APPROACH AND INSIGHTS FROM THE CASE OF THE GRAND REGION ACROSS BELGIUM-FRANCE-GERMANY-LUXEMBURG

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In its deployment, globalisation threatens and reshapes many territories (whatever their scale: country, region, trans-border area, city, rural area, etc.). It blurs their natural and historical borders. It tends to smooth away their factors of specificity and to impose on them uniform standards of performance that endanger the collective social, cultural, environmental... landmarks that every territory has built through its history. It threatens the very factors of cohesion and stability, as well as the values and sources of identity of the territory. Finally, it affects the endogenous bases of the economic and social development that have been built and consolidated over time within each territory. These threats and constraints are tangible, and many urban or rural territories are today being destabilised or even de-structured by globalisation. However, as evidenced in many cases, certain territories do better than others in coping with globalisation (or even seize the new opportunities it may offer) through adaptation or “reinvention”. In a sense, this means that certain territories are better than others in “negotiating with their environment”. It is here that the notion of “territorial resilience” makes sense. It refers to the ability of a territory not only to generate from within certain capabilities for “static resilience” — i.e., the capabilities of resistance and adaptation that are able to preserve or rebuild its specific bases for socio-economic development and identity —, but also capabilities for its “reinvention” (Glaeser, 2005) through the creation and mobilisation of new resources and competences that allow it to participate actively and favourably in the new environment (“dynamic resilience”). Territorial resilience (both static and dynamic) is multifaceted and idiosyncratic. Firstly, because it builds on processes and trajectories — historical and geographical, institutional and cultural, economic and social, etc.— that are specific to every single territory. As a consequence, the effects of path-dependency, rent and inertia are more or less marked depending on the nature of the territory and its assets, and therefore open differentiated “path de-locking” possibilities (through “path-creativity” or “reinvention”) across territories. Secondly, because territorial resilience involves actors and forms of strategic behaviour as well as of inclination for cooperation that are also territorially embedded. Finally, because territorial resilience depends as much on existing resources and competences (that should be protected, adapted, valorised, etc.) as on new ones that the territory could create (or acquire or attract) for supporting a new development path. Besides historical and contextual contingencies, the resilience dynamics of a territory rely also crucially on the orientations and commitments of the key actors of the territory (large companies, SMEs, public authorities, higher-education and research institutions, funding institutions, non-profit organisations, etc.), on the degrees of freedom they possess individually and collectively, and on the nature and quality of the networks that structure their relationships. More precisely, one can consider that territorial resilience depends heavily on the fundamental choices made (individually and collectively) by the actors at four key levels: i) the definition of the “differentiation core” of the territory; ii) the adaptation and innovation strategies that the actors of the territory are willing and able to mobilise; iii) the degree of “openness” of the territory and the networks composing it; iv) finally, the pace and timing of resilience dynamics. These four dimensions define what may be called “territorial dilemmas”: protecting the past (resources, factors of specificity, etc.) vs. creating new resource and development paths; privileging territorial closeness and identity vs. openness and permeability; competing vs. collaborating with other territories; etc. Therefore, how these dilemmas are solved or attenuated define specific trajectories of territorial resilience. Drawing from the vast theoretical and empirical literature on territorial change that has been developed in various fields (evolutionary economic geography, economics of

proximity, social network analysis, clustering theories, spatial and urban planning, social regions, etc.), the aim of this paper is first to characterise the key components and provide a typology of territorial resilience trajectories. The case of the “Grand Region” across the borders of Belgium (Wallonia and the Francophone and German-speaking Communities), France (Lorraine region), Germany (Saarland and Rheinland-Pfalz) and Luxemburg will then illustrate how a combination of a shared industrial history and strong strategic and political commitment from the actors in the border regions in these four countries is producing today a dynamic economic regeneration in the whole area.

Gateway P

INDUSTRIES, SKILLS AND HUMAN CAPITAL: HOW DOES REGIONAL SIZE AFFECT UNEVEN PATHWAYS OF GROWTH?

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Recent years has witnessed a growing interest in human capital and skills in combination with knowledge intensive industries to explain uneven regional growth. Industrial structures have traditionally been central for economic geographers in the attempt to understand what drives regional growth. Human capital and lately more skills oriented theoretical pathways have extended the more traditional industry approach in regional studies. However many of present studies do not take regional differences in terms of central versus peripheral location into account and most studies only consider the influence of one of the three parameters (skills, industry and human capital). This paper examines how the composition of industry structures, skills and human capital is related to regional development in peripheral and central locations. We do this by means of OLS-models to analyse the relationship between regional growth between 2001 and 2008 - measured as employment growth and growth in purchase power - and a selection of variables constructed via register data of the total population in Sweden. Taking the composition of skills, human capital and industries into consideration the analysis demonstrate that both the average income growth and employment growth show positive relationship with a growing creative workforce but that transition from traditional skills towards a workforce with more creative skills only is positive in medium size regions. The empirical findings also indicate that a transition towards more knowledge intensive sectors and higher education levels has the strongest influence on growth in the largest Swedish regions. Consequently, the paper argues that the relation between skills, human capital, industries and regional size is an important parameter when discussing trajectories of regional development and needs to be implemented in both future regional studies and regional policies.

Gateway C

EXPLORING THE CHALLENGES OF SUSTAINING DIGITAL INCLUSION AMONGST OLDER ADULTS IN THE UK

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Western economies in particular, are becoming increasingly reliant on electronic structures and services – the success of which depends on citizens being conversant with conducting their day-to-day activities using digital resources, including accessing public services. Such digital technologies offer access to information and services, as well as the possibilities of virtual mobility and social connectedness, for example via email, Skype, Facebook etc. Older people not only represent a growing proportion of society, they are also the fastest growing group of internet users in the UK. Yet as people age, they face changes in health, capability and/or social circumstances which may mean they lose the capacity to use these tools. Such changes may be compounded by the trend for continual enhancement and development of digital technologies, often leading for example to increased complexity. As a result it has been predicted that significant numbers of older people will in future move from being ‘digitally engaged’ to becoming ‘digitally unengaged’, with consequent reductions in their quality of life and independence. In this paper we report on research funded under the British New Dynamics of Aging programme. Specifically we draw on quantitative data from 300 older adults resident on the English Midlands, supplemented by in depth life history narratives with a subset of 20 older men and women to

contribute to understandings of the challenges of remaining digitally engaged, with particular reference to the ways in which some digital technologies (e-mail, mobile telephones and internet) broaden spatial horizons through maintaining social connections with spatially dispersed family and friends

Gateway J1

CONFIGURING THE NEW 'REGIONAL WORLD': ON BEING CAUGHT BETWEEN TERRITORY AND NETWORKS

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A little over a decade ago the economic geographer, Michael Storper, famously declared that we are all now living in a 'regional world', where regions are the fundamental building blocks of a globally interconnected modern world. Symptomatic of a much wider academic debate and policy-related discourse known as the 'new regionalism' this and other headline-grabbing claims are indicative of how regions were seen by many to be the pivotal sociospatial formation at the end of twentieth century. Nevertheless, the new regionalism is not without its critics. One among many lines of critique is the failure of its proponents to clearly define their object of study. Even in the work of the political scientist, Michael Keating, one of the most consistently insightful scholars on this aspect of the new regionalism, while it is acknowledged that regions take various forms (e.g. administrative, cultural, economic, governmental, historical) concern remains principally with regions as actual or potential subnational political units – be they administrative or governmental. Taking this one stage further, Joe Painter acknowledges how this has been symptomatic of regional geographer's 'cartographic anxiety', that is, our tendency to want to present regions as integrated and bounded territorial wholes despite recognition of how they take various forms, which rarely (if ever) correspond, or have congruent geographies. Disturbing notions of regions as bounded territories, a more radically 'relational' approach posits regions as not necessarily territorial-scalar but constituted through the spatiality of flow, juxtaposition, porosity and connectivity. Supported in policy terms by the emergence of an expanding plethora of 'unusual regions' – so-called because they do not conform to any recorded territorial, politico-administrative, boundaries – recent years have witnessed a tremendous appeal in debating the relative decline in 'territorially embedded' conceptions of regions vis-à-vis the privileging of 'relational and unbounded' conceptions. Nevertheless, the most recent skirmishes see some scholars emphasise how it is not the privileging of one or other that is important, but different combinations of these elements that seem to be emerging in today's new 'regional world'. Here emphasis is placed on the need to analyse how the different dimensions of socio-spatial relations (e.g. territory, place, network, scale) come together in different ways, at different times, and in different contexts to secure the overall coherence of capitalist, and other, social formations (JESSOP et al., 2008). Not surprisingly, this serves up a number of new challenges for the regional researcher – not least of which is how one translates this into practice, that is, more grounded empirical research. It is with this in mind that the current paper represents an initial endeavour to make visible the politics of transformation in an 'actually existing region', North West England. The aim initially is to demonstrate – then understand – how and why it is new combinations of sociospatial relations are emerging that appear more suited to stabilising society in today's new 'regional world'. To achieve this task the empirical part of the paper examines the three 'key diagrams' produced as part of the regional strategy making process in North West England following the collapse in 2004 of the UK Labour Government's new regionalist inspired, and territorially-articulated, 'new regional policy'. In adopting this approach the working assumption is that attempts to secure the overall coherence of regions is the goal of regional governance and, following THRIFT (2002, p.205), that "to govern it is necessary to render the visible space over which government is to be exercised. This is not simply a matter of looking: space has to be represented, marked out". The purpose of the paper then is to demonstrate how these 'key diagrams' represent a more than useful starting point for beginning to understand how these configurations are constructed politically. For it is clear they are not simply the outcome of capital accumulation strategies, but are mediated through institutional forms and diverse social forces. As such, the paper seeks to uncover the role and strategies of individual and collective agents, organisations and institutions in actively structuring how the multiple dimensions of sociospatial relations are brought together in different ways, in different moments, to secure the overall coherence of regions like North West England. For the unanswered question is not simply which sociospatial relations are dominant, emerging, or residual in any given space-time, but understanding how and why they are dominant, emerging, or residual. The paper concludes by suggesting the answer to this and other questions is to be found at the interface between emergent spatial strategies and inherited sociospatial configurations.

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The multi-national territory of the European Union might be described as a 'melting pot' consisting of a range of nation-states characterised by differing traditions, cultures and identities. Given this extensive and increasing diversity as well as the ongoing relevance of borders within the European Union, the concept of 'territorial cohesion' as a general policy objective turns out to be very difficult to realise. It is widely acknowledged within the European Union that (territorial) borders have negative consequences for the areas directly adjoining them, but also that territorial cooperation has the potential to reduce the disadvantages experienced by both border areas and trans-border regions. Therefore learning from the early days of the European Union - the biggest 'Economic Integration for Peace Project' so far - provides a mean to understand how peaceful politics may pave the way for economic progress. However although the success of the 'European Union Project' is certainly based on economic achievements, it should not be forgotten that life is not only about economy and that differences between countries and societies are also rooted in cultural manifestation and identity, which become reality through social behaviour/practices. Hence the emerging question in the European Union planning context is how to overcome the 'inside/outside' dichotomy caused by borders, which, even if a territorial border is abolished, remains persistent - to some extent - in the mind of inhabitants. This complex reality underlines the need to develop or rediscover forms of trust and/or social capital. Therefore the debates concerning a 'Europe without Borders' and the accrual of a 'joint European structure' maintaining a rich cultural diversity must take into consideration not only the geography or issues such as foreign policy, but also topics like history and how to deal with mental barriers. Overcoming these mental boundaries is a long and difficult process, which must come to terms with recognising and properly understanding the 'others' and the other identity. Building on the hypothesis that spatial planning and consequently the success of territorial cooperation is strongly (but often unconsciously) influenced by identities, collective and cognitive (mental) pictures of a specific area, adapted from 'collective memories' of social groups like societies, which are only coherent in a relative sense, the paper argues the European agenda of the future needs to consider social concerns more seriously. The role planning might play in supporting the reduction of (cultural) constraints through the management and development of relations between people and places in a multi-national environment is examined from this perspective.

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Whether the old and the new in regional economies are related to each other and if so, how they are related, is something that has been studied in economic geography from at least three angles. First, taking old industrial areas as a starting point of research some researchers have looked at deindustrialisation in relation to reindustrialisation and the restructuring of traditional manufacturing industries. Secondly, others have taken the location of newly emerging industries as a starting point in concepts such as the windows of locational opportunity and new industrial spaces. They often point at the deliberate choice of companies in new industries to locate outside of existing old industrial areas, in order to be able to create new production factors and not to be hindered by legacies found in old industrial areas, such as trade unions and specialised transport and training infrastructure. Thirdly, and most recently, evolutionary economic geography has strongly taken up this issue with concepts such as path dependence, path creation, related variety and regional branching. It also debates the tension between specialisation and diversification for regional economic development. This paper aims at going beyond an overview of concepts by working out general impact factors on the relations between the old and the new in regional economies. Why is it that they are related to each other in some regional economies and not in others? This paper will be illustrated with own empirical research results on textile, shipbuilding and computer game industry regions in South Korea and Germany.

Faith Hatani, Manchester Business School, UK

This study examines how port reform can be affected by geographical characteristics and regional politics. Referring to global value chain (GVC) analysis, this paper investigates the complexity and difficulties in the regeneration of container ports in mature economies such as Japan. Local firms' progressing off-shoring and the significant improvement of other Asian ports, Japanese ports are losing their competitiveness at the astonishing pace. The study focuses on the Port of Osaka located in the second biggest city in Japan by GDP per capita. The value chain is defined as "the full range of activities which are required to bring a product or service from conception, through the intermediary phase to production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, an final disposal after use" (Kaplinsky, 2000). Since ports are functioning in relation to various businesses – notably manufacturing – in global value chains, the shift of the location of production has added the complexity to the movement of ocean cargos across borders. A container port is an integral part in many countries, which are linked to different economic activities in various industries. It is also a gateway that connects local and national economies to the world economy. In the past two decades or so, many countries have carried out port reform to increase port efficiency and boost economic returns through international trade. However, the reform process has often been neither smooth nor effective. Against the background of globalising businesses, port reform is increasingly a challenging task not only because of the characteristics of ports embedded in institutional and geographical settings in a given region, but also because of intensive competition among ports. While large multinational corporations (MNCs) expanded their production networks internationally, rapidly growing developing countries, so-called emerging economies, are entering global markets (Humphrey and Schmitz, 2002). Despite the key role of container ports in these dynamic linkages, the influence of value chains has not been considered adequately by policy makers in port reform. Recently, the importance of spatial dimensions in the port industry and its relationship to global value chains have been explored (e.g., Hall and Jacobs, 2010; Notteboom and Rodrigue, 2005). Focusing on upgrading in the port, for example, Hall and Jacobs (2010) suggest that different types of proximities are involved in ports and that rigidity in institutions and too much social/geographical proximities among actors could hinder change, where change is necessary. This is particularly so when policy makers fail to take the trend of global cargo movements into account in their reform policy. In the beginning of the 2000s, the Japanese government launched the port reform, so-called the "super hub port project". However, the progress has been painfully slow and there have been lots of twists and turns. In response to the central government policy, meanwhile, the Osaka City started regeneration projects of the Port of Osaka. Yet, the limited understanding of the nature of shipping activities, the reform has not materialised any substantial effect. Based on direct interviews with personnel in the local port authority and the port industry, this study examines the ongoing port reform in Japan, and analyses political and geographical factors that may be hampering the improvement of the Port of Osaka's position as well as of the Japanese economy's position in the global market. It argues that for a manufacturing-based mature economy, the local government needs parallel actions to foster local producers and institutional changes in the port industry as a whole, rather than simply making a large investment in port facilities.

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This paper reflects on partnership working in local government in Wales, and how a policy-grounded drive for collaboration across local authorities is establishing new regional forms of service delivery. More specifically, it considers how the shifting spatial constructs found in contemporary policy discourse support or contradict those spatial constructs which are referred to, and employed by, actors responsible for implementing local government partnerships. Furthermore, it is argued that the disparity between these different sets of spatial constructs has implications for the creation of new partnership regimes. In an era where devolution, institutional restructuring and recession have cemented the need for enhanced levels of collaborative working on the grounds of

inclusiveness and efficiency gains in service delivery, we argue that the emphasis placed on economic expediences can often overshadow the role which cultural factors have in enabling and constraining partnership working at the local government level. Here the historic legacies of local government reorganization and jurisdictional shifts (both within and across councils) are of significance, serving to create, establish and dissemble spatial mandates over time. Also of importance, and related, are the differentiated career paths and working relationships of individual local government workers, as are those more 'personal' knowledges of territory and culture informed by individual biographies. These processes temper the mobilisation of centralised government policy, and they exert influence over the professional spaces within which local government workers recognise, adopt and play an active role. Furthermore, and correspondingly, these processes temper local government workers' involvements in existing partnership organisations, and they partly dictate the feasibility, form and function of emergent collaborative forms. Providing an overview of the current emphasis on partnership working in current Wales Assembly Government policy, particularly in regard to the Wales Spatial Plan (Wales Assembly Government 2004; 2008) and the Beecham review of local service delivery in Wales (Beecham 2006), the main body of this paper interrogates the evolving understandings of partnership working by those at the frontline of service delivery. Drawing on the 'localities research programme' currently being undertaken by team in WISERD (Wales Institute of Social & Economic Research, Data & Methods), this project has included nearly 150 extended semi-structured interviews, many of which have been undertaken with local authority workers at a senior management level. Drawing on this interview data, which predominately relates to how these actors come to know their 'locality', and how they balance 'professional', 'universal' and 'local' forms of knowledge in carrying out their role, much of this data refers to the growing importance of intra- and cross-authority collaboration, and to the new spaces of intervention which this shift has engendered. Giving rise to new regional spaces for service delivery, our evidence suggests that the potential of these new spaces rests in part upon their co-terminosity with past and present spatial constructions which take on political and cultural manifestations.

Gateway L

THE TERRITORIALISATION OF FINANCE CAPITAL

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The paper discusses how an understanding of the character and operation of finance capital may help to explain the geographical differentiation of cities and regions. Since the 1980s the withdrawal of public actors from the urban arena has made entire sectors of the built environment subject to the actions of private capital (telecoms, water, energy, transportation, health, property, education). This is sometimes depicted as the 'urbanisation of capital' and involves the switching of investment from the primary productive circuit to the secondary circuit of unproductive capital accumulation in the built environment. While the impact of finance capital on the making of urban and regional forms is increasingly acknowledged in the literature, further development is necessary at both empirical and theoretical levels. A general picture of the geography of finance capital investments in real property is lacking. However, two broad trends may be indentified. 1. Widening and specification. The significant increase in the availability of capital (until 2007-08) has allowed investment managers to enlarge the scope of their investments in the built form: through direct ownership of buildings and infrastructure; through the acquisition of shares in publicly-listed and non-listed firms in the real estate and infrastructure sectors (including REITs, etc.); and through taking stakes in financial products derived from the built form (securitised assets based on property revenues). Investment has also been made in a wider range of products (including urban services, buildings, transportation infrastructure, and large-scale facilities and (re)development projects). Simultaneously, investment managers specify the nature of the built form they support. This results in some products being neglected (for instance, low-income groups' housing as opposed to high-end housing in emerging countries' city-regions) and to the imposition of certain building specifications to increase perceived potential returns (such as standard ceiling height to accommodate ICT infrastructure or, more recently, environmental efficiency prescriptions). 2. Spatial hyperesthesia and geographic expansion. Because investment managers are highly sensitive to location, the growing role of finance capital also affects the geographies of investments in the built environment. The first aspect of such a spatial hyperesthesia is the degree of concentration of their investments at all scales. At national level, they privilege developed economies and high concentration areas, while within national systems, there is a clear city-regional bias that favours global metropolitan areas and earmarks existing sub-markets within them. However, at the same time, de-

concentration processes are at work, again at all scales. When central places do not offer enough possibilities to absorb available capital, peripheral regions and cities may catch the attention of investment managers. This often follows a hierarchical diffusion process (already well-acknowledged in the geography literature): from developed to emerging countries, from global to secondary city-regions and from mature sub-markets to up-coming localities with great market valuation potential. Several explanations may be provided for the differentiated geographies of finance capital investments in the built environment of cities and regions. First, following a mainstream positive economics approach, the allocation of such capital may simply reflect local and regional economic trends. Assuming the investment market as an efficient one, investors will allocate their capital to the places that will maximise expected returns and minimise risk. However, there is evidence that the supply of finance capital is becoming increasingly disconnected from demand and cost effective location. In other words, the functional needs of local end-users that rent buildings are given less weight in the decision-making process of a given institutional investor than the financial performance of those buildings, defined in the latter's terms. The recognition of the driving role of capital suggests that the differentiated geographies associated with the financialisation of the built environment result from a double filtering process. First, the institutional rigidities that characterise the investment industry restrict the geographical locations that are acceptable to finance managers. Second, the nature and conditions of the interactions with the local or regional institutional system (public policies, intermediaries' strategies, end-users' expectations, residents' capabilities, etc.) contribute to shape the resulting projects supported by the finance industry. In this context, it may be said that if there is a form of financialisation of the urban and regional form, at the same time, finance capital is also affected by a form of territorialisation. This leads to the development of a socio-technical perspective on how financial flows and the material and institutional fabric of a place are mutually constitutive in the context of globalisation.

Gateway N

OF LABORATORIES AND REGIONAL RATS: REBALANCING THE ECONOMIES OF THE ENGLISH REGIONS

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In 2009, New Industry New Jobs (NINJ) industrial policy was launched by the UK government. Drawing on a mixed (and sexed-up) bag of new technologies, emergent sectors and globally competitive industries, New Industry New Jobs (NINJ) was an industrial, technological and regional policy rolled into one, supported by a Strategic Investment Fund of some £750m. Key delivery agencies were the Regional Development Agencies in conjunction with regional business. In 2010, the new Coalition Government announced the Path to Strong, Sustainable and Balanced Growth, involving a nationally driven rebalancing of the economy and support for private sector recovery, including a £1.4 billion 3- year Regional Growth Fund delivered by local private / public coalitions. This paper draws on a piece of consultancy work to contrast NINJ and its emergent geography to early thoughts on one of the biggest empirical tests of the 'crowding out' thesis of economic development ever embarked upon.

Gateway C

PRODUCTIVE RESTRUCTURING, SPATIAL REDISTRIBUTION OF EMPLOYMENT AND IMPACTS ON OCCUPATIONAL AND INCOME MOBILITY IN METROPOLITAN BRAZIL

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Recently there were important changes in the Brazilian productive structure in response to economic reforms, technological changes and competitive pressures of international trade, affecting the spatial dynamics of the economy. In metropolitan areas, there was a relative decline in manufacturing employment and an increased weight of service sectors, especially modern productive services, with likely impacts on the occupational composition of jobs and the relative demand for skilled labor. The effects of these changes on the Brazilian labor market have been discussed in the literature, but the influence of regional factors is still relatively

unexplored. Additionally, important changes in the composition of the Brazilian labor force have occurred. The process of demographic transition raised the participation of working age population in the total population. The young cohorts of entrants in the labor market have average education above of older cohorts, gradually raising the average skill level of the workforce, even though different regions still exhibit quite different levels of schooling. There was also a shift and greater selectivity of migration flows. The pattern of participation of the increasingly educated population in the labor market depends on the setting of labor demand, which is determined by the productive structure. There is evidence that in the 1990's the restructuring of the productive sector raised the return to skill in the Brazilian labor market, although the phenomenon of overeducation is observed, which could indicate that the increased supply of more educated labor is not being absorbed by the market on occupations compatible with their level of qualification. Considering the national urban hierarchy and heterogeneity of local economies, the industry specialization and the occupational composition of jobs, it is expected that changes in the productive structure affect local skills demand in different ways. Moreover, due to evidence for occupational particularities of human capital, workers with same education level, but in different occupational categories, tend to be affected differently by these changes. Considering the great regional disparities in economic development of Brazil and the fact that different regions are at different stages of demographic transition and have different average levels of education, the Brazilian case is quite interesting in the analysis of relations between regional economy and demography, and, in particular, the interactions between the factors of demand and supply in local labor markets and their impacts on occupational mobility and income in different regions. The interaction of these factors of supply and demand may have affected differently the patterns of entry into the labor force of individuals with different skill levels and different occupational profiles. Moreover, externalities, arising from the agglomeration of production and human capital in the space, can influence the ability of a region to absorb the expansion of skilled labor. A weak local productive structure can determine the underutilization of the skills of local workforce and encourage emigration, while a large and diverse local labor market contributes to a better matching between workers and firms. Considering the hypothesis that the productive structure of a region is of great importance in determining the occupational profile of its labor force and income, this study proposes to incorporate theoretical elements of regional economics in the analysis of the evolution of regional labor markets in Brazil in recent decades, trying to scale the interaction between factors of supply and demand for labor in determining occupational mobility and income. In order to analyze the factors of supply and demand determinants of wage differentials among different regions and to decompose changes in gaps between the groups over time, we employ quantile regressions and different decomposition methods, which extend the the Oaxaca approach, incorporating periods and for the entire wage distribution. The methods decompose changes in the wage distribution in a period between various factors contributing to the changes, distinguishing between changes in the characteristics of the employed population and the returns to those characteristics, in addition to the residual component. The aim is both to estimate the density function of wages in the final period, corresponding to the distribution of covariates prevailing in the initial period, the density of wages in the initial period only as a covariate was distributed in the initial period, isolating, so, the effect of this variable. Results point to: a) large impacts of national productive restructuring on the distribution of jobs, particularly changes in sector and occupational composition of jobs in different regions of the country; b) greater weight of demand for labor factors in relative variations in labor income Brazilian regions than supply factor; c) different regional effects of factors related to urban economic structure, along with variations in regional age and educational composition, on the occupational mobility of different age-education groups, with regional characteristics that contribute to a better matching of young cohorts in the labor market.

Gateway J1

CITY-REGIONS - VIRTUAL SPACES OF GOVERNANCE AND PRODUCERS OF MARGINALITIES

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Concern with economic competitiveness has driven an increasingly urban-focused policy agenda, challenging some of the assumptions and practices of territorial governance between the local and the national level. This applies in particular to the notion of nature and role of the regional scale as notional summation of local areas. A growing focus on, and expected impulse from, cities, especially larger metropolitan areas, has shifted, and somewhat fuzzied, the scalar positioning of the 'city-region' as phenomenon in its own right. This applies not just to its boundedness as a functional and governmental entity, but also, and in particular, to its very

conceptualisation as a space. Increasingly, city-regions, in themselves often rather more virtual than ‘real’ spaces in governmental-administrative terms, seem to be crowding out conventional notions of regions as contiguous territories providing a supra-local framework for localities, including cities. Networks seem to have overtaken hierarchy as the main organising mechanism of sub-national governance, with city-regions almost becoming proxy for ‘regions’ per se. But this de facto re-interpretation of the regional scale as equalling city regions produces by-passed, ignored areas ‘in between’, thus creating peripherality through exclusion. The focus on city-regions in academic and political discourse seems to accept such inherent inequalities, sharply distinguishing between those places and actors that are ‘in’ and those that are not. This paper examines the pivotal interface between the very nature of city-regions as virtual constructs of clustered urbanised localities, their role as nodes in relational policy networks, and their peripheralising effect through selective inclusions and exclusions of actors and places.

Gateway D1

THE IMPACT OF REGIONALISATION ON RURAL DEVELOPMENT IN ENGLAND

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The impact of regionalisation on rural development in England Across the globe decentralising power from the nation state to ‘lower’ tiers of government is widely regarded as positive, enabling decisions to be made ‘closer to the people’ and to enhance co-ordination. This paper seeks to highlight the implications for rural development of the transfer of powers and competencies from the national state to a regional tier in England between 1997 and 2010. A Foucauldian inspired discourse analysis shows how regionalisation has eclipsed rural policy. It has also impacted on capacity building and work to facilitate wider participation in rural development at the local level, long recognised by researchers as critical aspects of successful rural development. Previous studies have emphasised the contrast between the rhetoric of devolution and the extent to which the state retains control by extending its power to the devolved scale. Discourses reveal patterns of power relations and can tell us how and why groups of actors take different approaches. Through combining the contrasting notions of devolution and centralisation, a discourse framework is proposed of four discourses of the region. Non-government actors express their choices to ‘buy into’ the regional discourse, make the best of, or resist the transformations set in train by regionalism, highlighting the complex power relations at work. The discourses reveal that state sponsored regionalism has had far reaching consequences for rural affairs. The research found differences between English regions and between regional government agencies, as a consequence of devolution. Nevertheless, the discursive practices centre on realising state plans. Furthermore, regionalisation restricts the choices available to the local level, and local plans have been formulated on the basis of a generic, homogenous territory, marking a fundamental change from previous territorial rural programmes.

Gateway U

STEPHEN STRATEGIC THINKING AND SUSTAINABLE COMMUNITIES: WHAT HAVE WE LEARNT BETWEEN THE BOOM AND BUST YEARS?

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Recent policy concerns over declining neighbourhoods and the delivery of sustainable communities in the UK have called for a more coherent and systematic investigation of our knowledge base regarding spatial neighbourhood change. While attributes such as housing, infrastructure, public services, demographic and socio-economic characteristics tend to be generally present in most neighbourhoods, the precise quantity, composition and quality will vary across neighbourhoods. In the UK, the global recession, its manifestation in a national ‘housing crunch’ and the recent shift from a regionalism to a localism policy framework serve to demonstrate the need for strategic thinking around how we evaluate and understand neighbourhood change. Neighbourhoods are not homogenous and variation in their capacity to respond to different processes suggests that monitoring, evaluating, and understanding neighbourhood change from a strategic perspective is vital to place shaping and the delivery of sustainable communities, however defined. The purpose of this paper is to examine the concept of ‘sustainable communities’ as applied in the context of the UK, to explore its manifestation in policy, and to consider, with its strong housing and regeneration rationale, whether the UK government ever had a strategic

approach in its conception and delivery of its Sustainable Communities Plan. Based on the 2001 UK Census classification of the Middle Level Super Output Areas derived by the Office for National Statistics (ONS), the paper will examine the changing dynamics and structures of different types of neighbourhoods. The analysis charts the change that has taken place in different types of neighbourhoods from 2001 through 2005/2006 at the peak of the economic boom, to 2009/2010 at the height of the economic recession. This allows us to examine the nature of neighbourhood change; to explore how change is related to the characteristics of different types of neighbourhoods; and to identify fault lines in the way that neighbourhoods evolve. The recent publication of the UK Coalition government's Localism Bill has fostered a degree uncertainty over the future role and focus of the 'strategic' in planning and housing policy arenas. Nevertheless, there is evidence to suggest that neighbourhoods, however defined, are being lined up as important fixes for delivering planning and housing policy agendas. In light of this evolving policy framework, this paper offers a timely opportunity to explore the fundamental drivers of change in different types of neighbourhoods, to consider the potential future strategic role of neighbourhoods in delivering planning and housing policy, and to contribute to the theoretical and policy debates currently being had around driving forces of spatial neighbourhood change in the UK and elsewhere.

Gateway R

REGIONAL VITALIZATION THROUGH ART: A CASE OF SEASHORE MUSEUM IN JAPAN

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Regional disparity is one of the most serious social issues in Japan, as well as in many other countries. Many rural regions have problems not only on economical stagnation but also on many other aspects such as depopulation, aging, and dismay by lower profitability of agriculture/fishery, sluggishness of tourism and so forth. As well as economical depression of regions, emotional/mental depression of regional people has become a large obstacle for advancing local society. In order to encourage regional people emotionally/mentally, some activities through art has been recently focused on. Because art itself has a function to operate to people's feeling or some kinds of spiritual status, it can play a role of emotional vitalization, such as encouraging a sense of solidarity of regional community or passion for social activities of regional people. In that sense, regional vitalization through art can produce special effect to regional people/community, which cannot be produced by ordinary measures of vitalization like promoting regional businesses or encouraging regional industries by, for instance, inviting large factories to regions. This research focuses on regional vitalization through art in the view point of how different it is from ordinary vitalization. The object of the research is Seashore Museum in Kuroshio-city in Shikoku-island, Japan. Seashore Museum was established in 1989, over twenty years ago, only with a small budget of one million yen (approximately twelve thousand US dollars). At that time, the region was so poor that they could not build any expensive museum. The trigger of establishing Seashore Museum was that one photographer in Tokyo was aiming to hold an exhibition in Shikoku-island. A certain designer named Makoto Umebara proposed him to hold an exhibition by printing a photograph on a T-shirt by silk-screen-print technique and hanging those T-shirts on the ropes stretched between the poles standing on the seashore of Kuroshio-city. Because they did not need to build a gorgeous building of museum in this system, the idea was so realistic for them to have their own museum. Umebara and other staffs, including regional town officers and younger volunteer members of vitalizing region, were discussing about the idea to reach to the key concept of 'gSeashore Museum, as a symbol of vitalization movements. They mentioned that this natural museum could exhibit the beauty of region itself, and that is, anything in region is a beautiful artwork shown in such a museum. The footprint of birds on seashore is one artwork, the feature of a whale jumping in the horizon of the sea is another, and driftwood on the seashore is the other artwork of regional nature, they said. A museum should be a great device to show us the beauty of region and regional people, and the seashore in Kuroshio-city is itself a great museum to exhibit how all things in region are beautiful, they thought. This unique museum has been getting very famous in Shikoku island and even in nation-wide of Japan, and eventually over ten thousand people, including some people from Tokyo or even from abroad, visited there every year in a very short period (several days in every May) of exhibition. In addition to that, currently, the movement has proliferated into other foreign countries such as Mongolian, Brazil and Hawaii in the USA. As a matter of fact, the Mongolian people held a T-shirt exhibition in grassland in Mongolia twice. They called the event as the activity of Grassland Museum, named after 'gSeashore Museum. The point is that the concept of Seashore Museum was accepted and evaluated in Mongolia as a universal concept for encouraging regional people. The local communities in Kuroshio-city and

Mongolian became establishing friendship beyond border. To clarify the effect of this movement to the regional people, statistical study by questionnaire and qualitative study by interviewing were done. The result indicated the following propositions: 1)The dominant effect of Seashore Museum movement has been advancing the reputation/prestige of Kuroshio-city for ten years long, and the regional people have been proud of it. They have been thinking the movement was effective in such a spiritual aspect, not in economic aspect like encouraging economics/industries. 2)Regional people have a strong feeling of hometown and this feeling has been grown through communicating with regional people, and has not been produced through regional vitalization movements/activities themselves. Hometown feeling seems to be based on long-term relationship among people, not on specific activities. As a result, we observed that regional vitalization through art has potential for encouraging regional people emotionally and mentally. They can recover their self-confidence and also open their mind to out-side people though art events. Even for regions without excellent business resources, art can be one convenient tool for encouraging.

Gateway V

VALUE-ORIENTED LEADERSHIP IN SUSTAINABLE REGIONAL DEVELOPMENT

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Many rural regions in Europe are undergoing a dynamic transition. Urbanisation, agricultural change, new patterns of production and consumption, and new societal demands are driving changes in the activities, functions and land use patterns found in these areas. All these transformations offer new challenges for regions to reinvent and develop themselves into new directions. For many an obvious choice is to set forth on the path of economic growth and to compete with other regions for global, mobile capital and labour. However, regions are not narrow economic entities. A much broader awareness arises that in the long run regions should anticipate a more sustainable development to prevent unfair competition. Today's post-industrial society challenges regions to invest in sustainability and to develop 'eco-economic innovations' based on regional qualities and the availability of local and regional assets. But how to develop such innovations and implement sustainable regional development? How to mobilise societal capacity in rural areas? We argue in this paper that in the end it is the 'human factor' which plays an important role. Especially (formal and informal) leadership is a key-factor in regional development. The classic, mostly intra-organizational inspired leadership and management perspectives are not applicable to multi-organizational, multi-sector, multi-governmental and hence multi-vision, multi-strategy and multi-value forms of governing and promoting regional development. Leadership needs to be discussed and studied in the context of complex networks and a variety of institutional and cultural contexts. Leadership capacity is a quality which can alleviate the negative consequences of economic regional development and to reinforce the positive ones. In this paper we introduce a model for leadership in sustainable, regional development, illustrate how four leaders act in regional networks and draw conclusions from eight empirical cases of regional development in the Netherlands. The cases show that leadership has an individual and collective dimension, as well as an inner and outer dimension. It is about personal qualities and inner motivations (the 'X-factor'); it involves behaviour in the outer world aimed at creating a space for action ('vital space'); it is based on shared values and working in networks ('shared leadership'); and finally, it necessitates strategies to cope with institutional contexts, needs and circumstances ('bricolage'). The empirical analysis shows that leadership in regional networks requires special skills, competences and roles. Sustainable regional development benefits from shared leadership where collective values, feelings, trust, commitment and energy form the basis for mobilising private and public actors around a joint agenda in regional networks. Leaders help to raise awareness in the region and play a sense-making role, telling their stories and trying to align people around sustainability issues. Leaders can in this sense contribute to the framing of new regional concepts and agenda's and the exploration of new pathways to sustainability. They can also contribute to the forming of new public-private coalitions which create capacity to act within the institutional context.

LIMITATION OF EUROPEANISATION IN BULGARIA? IMPLEMENTING THE PRINCIPLE OF PARTNERSHIP IN PROGRAMMING THE COHESION POLICY

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The process of EU integration entails sufficient national institutional capacity to perform and implement EU common policies. This requires specific set of administrative and policy tools in order to achieve the overall goals abiding the *acquis communautaire*. This ability has been even more pressing in the accession process of the Central and Eastern European last enlargement states in the light of the simultaneous process of democratic consolidation. The paper will focus on the application of the principle partnership in the programming of the cohesion policy in Bulgaria as litmus for state efficiency to implement public policies. This process is still a challenge for Bulgaria. As stated by the EU Commission, an important prerequisite for the preparation for successful resource absorption is the application of the partnership principle at the various stages: planning; management; implementation; monitoring; and implementation. The process of programming in Bulgaria has revealed difficulties in the implementation of the partnership principle due to inefficient public policy making and the lack of clear-cut government-civil society relations. Through analysis of recent quantitative and qualitative data on the application of the partnership principle in Bulgaria, the presentation will illustrate the main limitations of the EU leverage in this realm. The EU Structural Funds and the EU Cohesion Fund contribute to the achievement of three main objectives in this respect: convergence; competitiveness and employment; territorial co-operation. The effective application of these principles in the work of the Structural Funds can actually incorporate the target groups' needs and allow for "bottom-up" prioritisation when strategic documents and objectives of the operational programmes are being planned in order to achieve economic and social convergence, as well as competitiveness, by employing this type of intervention. The application of the partnership principle, namely the involvement of a wide range of different stakeholders in the programming and identification of the Structural Funds priorities ensures that the needs of target groups are taken into account and that this public resource allocated from EU's development budget is used effectively. The process of planning and programming medium-term strategic documents as directed by EU is somewhat of a challenge for Bulgaria. This approach is being used for the first time and it adheres to the requirements of EU legislation on regional and cohesion policies. The application of the partnership principle in the drafting of these documents is mandatory and the European Commission has placed a specific focus on the manner of its implementation. However, the application of the partnership principle turns out to be more effective between the various central authorities, unlike where local authorities, regional stakeholders or social and economic partners, and NGOs participate. In its greater part NGO participation is due to the NGOs' activity, coalitioning and organisation of representation. The mechanisms for the appointment of NGO representatives were not clearly laid down despite the available criteria and this creates the impression of lack of transparency and parity between the stakeholders. The real opportunities for NGO participation remain insufficiently detailed to ensure representativeness and effectiveness of the participation. The manner in which the decision about the participation of certain organisations was made depended on the decision of the respective Working Groups which the structure were having the last say on how the participant selection criteria were to be applied. The lack of transparent and uniform mechanism raises the question about certain arbitrariness in determining the manner of NGO participation and the insufficient development of the partnership mechanism.

IRREGULAR SETTLEMENTS INTO PROTECTED NATURAL AREAS: GOVERNMENT ACTIONS, SERVICES AND URBAN PLANNING

Elias Huaman, Universidad Autonoma Metropolitana - Azcapotzalco, MEXICO

In this paper, I try to analyze the rise and development of irregular human settlements in Natural Protected Areas, phenomenon that exceeds the lineaments of local and environmental urban planning since this kind of settlement. On the one hand, it generates precarious conditions due to the lack of basic services (mainly water and drainage) and public infrastructure. Other conditions are the risk of landslide, mudslide, and the extreme weather conditions that inhabitants are exposed to. On the other hand, it accelerates the deterioration and loss of areas that perform important environmental functions, i.e., the recollection and recovery of the underground

waters, the capture of carbon dioxide, the decrease of recreational spaces and culture necessary for the local and metropolitan population. For this I present a case study of a settlement of irregular origin, situated on the territory of the Natural Protected Area of the State Park Otomi-Mexica in Huixquilucan, State of Mexico, was developed. Hielo neighborhood was established at the beginning of the 90's with the support of Municipal authorities. Years later, the land regularization started with the process of separating this polygon, which includes this neighborhood, from the rest of the protected Area to begin the introduction of basic services. However; until today, the neighborhood still lacks tap water and drainage, which results in precarious conditions for its inhabitants and in irregular waste discharges to the environment. This study attempts to analyze the political participation of different actors involved in this phenomenon. We propose a restructuration of the public action that influences the orchestration and creation of Natural and Protected Areas laws of State jurisdiction. The case study presented resulted in three concluding points: 1.The problem generated by the enforcement of the environmental urban laws, 2.The development and expansion of irregular human settlements, and 3.The interrelated city informal-environment. With respect to the first point, the juridical inconsistencies associated with the inefficacy of the urban administration, maintain a favorable situation for the use of the protected land. Meanwhile, if there is not a political willingness to maintain the ecological equilibrium between the population and the environment, the authorities' flexibility will continue as until now regarding the enforcement of the urban environmental laws. Moreover, the following has to be taken into account: a)The Natural Protected Area is from state jurisdiction, and it was created in 1980; from that moment until today, it does not have a plan to manage it. It is expected that the environmental authorities from the State of Mexico are responsible to elaborate that plan. b)The State Commission of Natural Parks and Fauna, a decentralized organism from the state government, became involved only with the purpose of making a technical- justifying study trying to persuade the government to reject the petition of disincorporation of the polygon, which included the "Hielo" neighborhood. c)The participation of the municipal government has been limited to executing public work like any other urban place without considering the environmental conditions. The second point, the rigidity of the norms and regulations, contradicts the traditional regularization of irregular human settlements. During election times, policies favor the neighbors and not to the protected areas. Likewise, this favoritism is linked to the constant perfectionism of the social organizations and their negotiation strategies. The latter aspect finally encourages the expansion of irregular human settlements, so: a)The government actions (sometimes municipal) and the ordering of the urban layout, originates the invert of the protected areas and the disorder in the physical structure of the neighborhoods. b)The limitations of the Mexican economy and the critical tendencies of employment and income amplify the demands for low cost housing land and irregular, illegal, reaching spheres of the farming mid class. In the last point, it is interesting to highlight that within the regularization process taking place in this settlement, as a first step, 30ha were desincorporated from the public service, the same that are occupied by the 'Hielo neighborhood. This was solicited by the former mayor David Korenfeld. The objective was to ask for the change in the use of the land so they could incorporate the neighborhood into the urban development through its insertion into the Municipal Urban Development Plan of Huixquilucan, which in theory implied the introduction and provision of the municipal services to the neighborhood. Notwithstanding, until today there have not been solutions to offer to the neighborhood. There are still two basic needs that require to be fulfilled: drinking water and drainage for the entire neighborhood. Finally, the intervention in precarious settlements situated in zones with a high environmental value has a two-fold purpose: improving the living conditions and helping diminish the environmental discharges.

Gateway B

'MIND THE GAP': REBALANCING REGIONAL ECONOMIES WITHIN THE UK

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Allan Little, Department for Work and Pensions, UK

The current UK Government views a reduction in public expenditure not just as an imperative to balance the books, but to necessitate a greater and more effective emphasis on private sector growth. This timely paper sets out both the size and nature of the rebalancing required, examines potential endogenous responses and offers policy suggestions. Using the North East region as an example we examine the 'gap' induced by the announced 'fiscal conciliation' and explore several mechanisms by which the private sector may respond and thus contribute to the closing of the gap. Specifically, we examine export growth scenarios based upon both exchange rate and productivity gain drivers, sector lead growth policies driven by private sector fixed capital

formation, increases in the rate of new firm formation and growth, and a general up-skilling of the workforce towards national averages. The analysis is based-upon a 42 sector, multi-period, regional input-output model with mixed household income endogenised and social accounting matrices quantifying labour market skills and constraints. The paper concludes by offering suggested policy responses which may be deployed within the current and proposed policy frameworks to assist the closing of the 'gap'.

Gateway G1

A FRAMEWORK FOR ASSESSING TERRITORIAL COMPETITION: THE CRITICAL ROLE OF LOCAL POLICY

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Alejandra Trejo, Centre Of Socioeconomic Research, Universidad Autonoma De Coahuila, MEXICO

The various economic spaces which operate as the territorial scenario and the articulating point between social and economic relationships constantly have to face challenges and opportunities. In an environment of growing globalization, which goes along with a relative increase of factor mobility, the role of territories and its competitiveness is under debate. In order to spur local attraction territories often enter in competition with each other. It seems pertinent to question first whether in fact regions compete against each other, how they compete, what are the mechanisms behind, which actors participate and what their objectives are. Yet above all it is important to know the consequences of such competition and what drives such results. To answer these inquiries a logic structure subject to empirical applicability to analyze what we identify as territorial competition is necessary. Territorial competition is immersed in a phenomenon of greater scale and scope which is competitiveness. Broadly defined is the process in which actors undertake actions to increase economic productivity and to enhance the standard of living of their own territories. At this respect it is commonplace that governments at various territorial levels apart from other public and private institutions concern about providing the conditions that make attractive their countries, regions or cities for productive activities and in so doing they get involved in the race for competitiveness. We indicate that such competition involves the actions of multiple actors but these often are connected with each other through local policy makers. By and large, local government and regional development policy are regarded to play a central function in territorial competition and in fact they consider that the competitive success of regions and cities cannot be achieved without the active action of local governments. That is to say, territorial competition involves significantly the formation of regional policies. The argument is that the more aware the local governments are of the existence and importance of competition a more significant role they tend to play. To the extent to which governments are more conscious about the actual territorial competitive environment they will try to formulate more policies for the development of competitive capabilities. Moreover all local governments might be able to establish policies to improve the relative competitive position of regions but results will depend on the kind of policies and above all on the efficiency of policy implementation. For that reason we highlight the role of policy in terms of implementation and coordination. In such a case there is an inter-governmental policy competition. The nature of this jurisdictional interdependence is unknown *ex ante*. On the one hand, competition may lead to a 'race to the bottom' or there can be strategic interaction among territories. The actions and efforts may take many forms (marketing, assisting local businesses, constructing infrastructure, information and land provision, taxation and so on). Particularly governments may use programs or apply funds, which are available as a result of national or regional policy, to attend to local interests. Meanwhile the results are also varied; they can be zero-sum, positive or pure waste. This paper is concerned with developing an integrated framework for territorial competition with linkages to competitiveness and emphasising the fundamental role of government policies on the competitive results. The methodology employed examines the literature on various approaches to territorial competition and its relationship with territorial competitiveness. The key contribution of this review is a logic structure of characterising competition, and evaluating competitive results and the role of key actors.

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This paper uses a large panel data for 32 European countries to provide a model that explains GDP change between 2001 and 2008 ($R\text{-sq}=0.8$). The variables associated with GDP growth at a very high level of significance ($p=0.001$), are unemployment rate (2008), the number of enterprises in industries and services, the export of services in 2008 and the imports of goods. The correlation matrix reveals the importance of Krugman's work (1991), strengthening similar evidence appearing in the Greek case (Ikonomou, submitted at Regional Studies). The more distant a European country is from Brussels, the more it seems likely to have negative growth levels (GDP levels since 2001) and negative changes in GDP growth levels, in production levels (prodcom values), in changes in production levels, the number of businesses, its consumption of fixed capital and the gross fixed capital formation (variables normalised and deflated, if necessary), in unemployment rates, the net balances of services and that of goods, the exports of goods and that of services. The "Europe of the Regions" is a rich concept that required great effort in its construction. Until today, an emphasis has been attributed to building monetary, institutional and political bases, and to follow an economic policy mainly targeted at the most distanced EU areas (broadly identified under the umbrella of less-favoured). The latter was based on infrastructure development, endogenous growth, human capital, firm support and competitiveness policies. Mistakenly, this policy mix was assessed to reduce national and regional imbalances, for example in consecutive EU periodic reports, at a period when benefits were continuously accumulated in EU centres. This approach prevailed against other theoretical views and was protracted, even though it neglected the role and significance of geography in several respects. As opposed to other countries, the creation of the EU had the rare chance to embrace a large diversity in economic, institutional, social, political, cultural, ethical, linguistic and many other geographical conditions that would have been acting as barriers for the removal of capital, human capital and population towards EU centres. Progressively over the elapsing decades these barriers would be removed, strengthening centrifugal forces. The implementation of the above policies would bring consequences, which impacted economic activities in centres and the peripheries. Further, regional development policies had for long neglected the core theoretical thesis of regional studies to spread EU manufacturing to the EU periphery. Rather than pursuing competitiveness it is an opposite direction that needs to be prioritised, economic "amyllae" or the association and "noble competition and collaboration" among European states and regions for consolidating the unity of their interests. New European geographies could emerge, supported through partnerships, the association of different national economic interests, whenever common European interests are formed and pursued. In this direction EU peripheries could emerge as places of new growth and avoid the burden of now much enlarged competition from an expanded, massive in size, European centre (in the open European borders). Following this direction will make policies pursued until recently seem as preparatory and considered to have laid down the foundation stones for the common and new Europe. Though EU peripheral countries have failed to appropriately integrate EU policies and make use of EU funds in the best possible way (Ikonomou, forthcoming 2011a and b), the recommended policies have in reality trapped EU peripheral countries in a spiral of negative decisions which, for more than 30 years, failed to create new geographies, places of new production -especially in manufacturing-, resolve the real problem of de-industrialisation -at least by transferring industries to the EU periphery- and cope with the consequences of globalisation. Rather than resolving the problem in its periphery, the EU was not only hiding but also smoothing -if not strengthening- its appearance. The increasing removal of barriers in movements would act to the benefit of EU centres. A key reason for this outcome is that policies in the periphery have neglected the critical importance of manufacturing (Ikonomou, forthcoming, 2011a and b). Greece's example is the indicative of an economy that is overspending funds in infrastructure development, rather than producing manufacturing products to spatially integrate its archipelago, such as hybrid ships, cars or helicopters. Its characteristic geographical structure and the distance from the EU centre is sustaining and strengthening core-periphery imbalances, in an environment that intensifies monopolistic behaviour (Ikonomou, submitted at regional studies). Policies for European amyllae have to continue from the present point towards creating product diversity through the production of new manufactured goods at the periphery, especially those needed to resolve particular problems associated with special geographical conditions. As places of production of new goods, EU peripheries will emerge to strengthen collaboration amongst regions and nations and will not harm the long term capacity of EU centres to produce. Furthermore such policies will revitalise EU productive capacity to the benefit of the overall European economy.

CAN ORDINARY REGIONS CONSTRUCT REGIONAL ADVANTAGES? THE CASE OF FOUR REGIONAL INDUSTRIES**Arne Isaksen, University Of Agder, NORWAY**

The conceptual framework of constructing regional advantage (CRA) is implicitly relevant for large, well-off regions that have strong regional innovation systems, a diversity of industrial sectors, and resourceful firms that can partake in global knowledge networks. This paper discusses to what extent ordinary regions, with a narrower industrial base, with few knowledge organisations, which are dominated by traditional (low and medium technology) industries etc. , may also constitute the basis for developing regional advantage. Four cases of regional industries dominated by different innovation modes from the typical STI (Science, Technology, Innovation) based marine biotechnology to the DUI (Doing, Using, Interacting) based oil and gas equipment supplier industry make up the empirical test bed in the paper. The CRA framework is found to represent a useful conceptual construct also for ordinary regions provided some clarifications and restrictions. Regional advantage is most easily realized in ordinary regions when it comes to DUI industries. STI based industries require access to advanced, science based knowledge that, at least in a small country like Norway, have to be supported by a national innovation system. A strong regional advantage in two of the empirical cases is the merging of practical, experience based skill with research based knowledge.

HOUSES AND/OR JOBS: OWNERSHIP AND THE LABOUR MARKET IN BELGIAN DISTRICTS**Daan Isebaert, Ghent University, BELGIUM**

In a number of papers A.J. Oswald (1996, 1997) argues that high rates of home ownership may imply inferior labour market outcomes. In this paper we first review the existing theoretical and empirical literature on the Oswald hypothesis. Overall, the literature is quite divided. Theoretical results seem to depend crucially on assumptions made. Among empirical studies that make use of micro data one can observe some degree of consensus. Most of these studies find home owners to have a better employment status than renters, which would raise doubts about the Oswald hypothesis. Empirical studies using macro data, however, cannot confirm the message emanating from the (more or less) micro consensus. Most macro studies tend to support the Oswald hypothesis, although some others reject it, or find inconclusive results. In this paper we test the Oswald hypothesis in a panel of 42 Belgian districts since the 1970s. The use of data going back to 1970 allows us to embed the Oswald hypothesis in a broader model including other key determinants of employment like labour costs and productivity, the skill level of the population, and demography. Due to the potential influence of employment in a region on permanent income and tenure choice of households in that region, ownership may be endogenous to changes (shocks) in employment. We therefore use IV estimation methods. We estimate by means of 2SLS a simultaneous equations model explaining the rate of home ownership and the employment rate. Overall, we find evidence in favour of the Oswald hypothesis. We observe that a 1 percentage point rise in the rate of home ownership in a district implies a statistically significant fall in the employment rate by about 0.35 percentage points. Our results underscore the importance of including other determinants of employment, of controlling for unobserved fixed regional and time effects, and of appropriately dealing with endogeneity. Disregarding these issues, as is often done in the macro labour literature, may imply very different estimation results. Although this paper only concerns Belgium, our empirical findings may shed some light on why the existing empirical macro literature has difficulty coming to robust conclusions. Taking stock of existing micro studies (for other countries than Belgium) and our macro results, the hypothesis emerges that rising degrees of home ownership mainly cause negative effects beyond the owners themselves. Even if they are not worse off, aggregate labour market performance may be weaker. Negative external effects which may explain inferior aggregate results may relate to congestion (when owners commute) and a rise of non-wage production costs, tightening of rental markets (which discourages the mobility of unemployed renters), rising pressure on bargained wages due to lower mobility, etc. Clearly, the aggregate story is important for policy makers. Among our other findings, we observe positive effects on the employment rate of the fraction of high skilled in a district and negative effects of wage costs (versus productivity). In the ownership equation we find significant negative effects of the cost of living as owner versus renter. This opens possibilities for the government to affect home

ownership by means of tax changes. In the ownership equation, we also see an influence of some demographic variables. The rate of ownership in a district will be higher when a larger fraction of families are families with children.

Gateway G1

THE REGIONAL EMBEDDEDNESS OF CLUSTERED FIRMS

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Over the last couple of decades there has been a growing interest within economic geography in the nexus between firms and places. Numerous studies of industrial clusters have highlighted the importance of understanding the interdependency between interconnected firms, institutions and places. It has been argued that despite the processes of globalization firms are territorial anchored, i.e. proximity or geography still matters and the practice of firms are being influenced by characteristics of their home territory (Malmberg and Maskell 2002, Boschma 2005, Asheim et al 2006). It has also been argued that the regional involvement of firms, for instance their willingness to participate in local networking and innovation collaboration, is essential for the prosperity of regions and industrial clusters. Embeddedness is one of the theoretical concepts at the forefront of this debate. The discussion has been inspired by the classical works of Polanyi (1944) and Granovetter (1985), and newer contributions including Hess (2004) and Swyngedouw (2004). Still, how to conceptualize and measure embeddedness has been less discussed. There is also a lack of understanding of how a growing numbers of external linkages for clustered firms are affecting their regional embeddedness. By using data from a study of a regional cluster within the Norwegian oil and gas sector the aim of this paper is to elaborate on these issues. When discussing how embedded these clustered firms are, the concept of regional embeddedness will be operationalised through indicators such as sales in the region, purchase of input in the region, recruitment of labour from the region, innovation collaborations with partners in the region, other types of collaboration with partners in the region, and the use of regional providers of competence. Another nagging question is which type of variance in regional embeddedness can be observed between different types of firms? Inspired by evolutionary thinking within economic geography (Mackinnon et al. 2009, Martin 2010) our point of departure for this discussion will be that firms with historical roots in the region will be more embedded than newcomers. Further, we will also discuss factors that can contribute towards changes in the regional embeddedness of firms. How will for instance the internationalization of firms, such as increased sale on international markets, affect their regional embeddedness and their willingness to involve in local networking?

Gateway W2

RELATIONS, NETWORKS AND COMMUNITIES: KNOWLEDGE ANCHORING IN EUROPEAN REGIONS

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Geert Vissers, Radboud University, THE NETHERLANDS

Margareta Dahlstrom, Karlstad Universit, SWEDEN

The importance of multi-local and multi-scalar relations and networks is beginning to be widely acknowledged in studies of regional economic development (Amin and Cohendet 2004; Asheim et al. 2007). Thus the idea of mainly regionalised interactions, familiar from the territorial innovation model paradigm, is giving way to the idea of territorial knowledge dynamics (Crevoisier and Jeannerat 2009). This raises questions about the ability of firms and regions to access and use knowledge from different locations; a process we describe as knowledge anchoring. In this paper we propose that knowledge anchoring should be understood as a process in which firms access new knowledge by developing relationships that stretch outside their home region ('inflow'), then use that knowledge, incorporate it into their practices and routines, make connections with their existing knowledge, and develop it further ('anchoring'). Analytically, we define 'territorial knowledge anchoring' as a process that takes place when other firms and institutions within the region are involved in similar kinds of interactions, using knowledge that derives from the initial 'receptor' firm ('re-circulation'). There are many different kinds of relations, networks and communities that firms tap into, and link together, in order to access, recombine, and

exploit external knowledge. In this paper we elaborate the principles and processes of knowledge anchoring, illustrating our argument with case studies from European regions.

Gateway D1

PEOPLE AND PERIPHERY: SELECTED OPPORTUNITY OF DEVELOPMENT OF PERIPHERAL REGIONS IN CZECHIA

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During the post-communist period, Czechia was subject to an intensification of societal (vertical) and regional (horizontal) differences. One theme, among many, of geographical research is the identification of key problems and mechanisms that contribute to the growth of differences between regions, as well as the designation of problematic areas. In addition to the situation of a region in its regional system and the level of concentration of its residents/functions, the activities of subjects, or rather, the quality of human and social capital in the region can be considered pivotal for the successfulness of the development of regions. And so, initially, the selection of indicators for evaluating regional differences becomes the subject of academic discussions, followed by the analysis of conditions and mechanisms behind the differentiation of territorial development. The focus of studies has, therefore, shifted from the description of the distribution of observations to the analysis of (the distribution) of problems, from the study of objects to the study of subjects and their mutual orientation or, in other words, from the study of “hard” characteristics to the study of “soft” characteristics. This contribution explores regional differences in the social capital of peripheral areas in Czechia. Its objective is to make a general contribution to studies of social and human capital and to the clarification of the role of such capital in the polarisation of space. Specifically, we build on previous quantitative analyses of differences in human and social capital in Czechia by presenting analyses of selected results from an extensive empirical study, carried out in typologically different peripheral micro-regions in Czechia. Emphasis is given to an analysis of problems concerning residents’ level of participation in groups, according to a given region’s scale-level, residents’ trust in selected subjects (individuals, entities and institutions) and the overall satisfaction of residents with life in a given municipality. In terms of territorial differentiation, attention is focused on an analysis of differences in the quality of social capital in Czechia’s internal and external peripheries, in other words, in areas of continuous settlement and in border regions that were settled after the removal of the German speaking population. This contribution build on previous quantitative analyses of differences in human and social capital in Czechia by presenting analyses of selected results from an extensive empirical study, carried out in typologically different peripheral micro-regions in Czechia, in areas of internal and external (borderlands, recently settled) peripheries. Recognizing the complicated nature of the issue and the plurality of possible approaches for evaluating social capital, we made an analysis of differences in components of social capital in compliance with van Deth’s concept. The analysis focused on three basic pillars of social capital: participation, trust and satisfaction with life in a given municipality in a selected sample of the population of model peripheries (large portions of respondents were women and representatives of the middle generation). The following generalizing conclusions can be formulated on the basis of this analysis. We assumed that the results of our survey in 14 model territories would confirm the existence of regional differences in the quality of social capital with a distinct dichotomy between recently settled areas (external – borderland peripheries) and areas of continuous settlement (internal peripheries) as well as differences depending on the degree of peripherality. The evaluation indicates that the primary differentiating factor for a periphery is not its spatial situation within a state, in the sense of a west-east gradient of development, but rather the continuity of settlement, residents’ level of education, population density and position in relation to regional centre. The overall population of municipalities is another factor that likely impacts life in peripheral areas, by determining an area’s financial possibilities, among other things. On the basis of analyses carried out to this point, we can therefore presume that the position of a municipality in the settlement hierarchy is a key factor influencing life in the municipality and that high quality human and social capital help ensure a satisfactory.

TKDS IN ECONOMIC SYSTEMS OF KNOWLEDGE CREATION: A TYPOLOGY BASED ON THE ANALYSIS OF PRODUCER-CONSUMER RELATIONS**Hugues Jeannerat, University Of Neuchâtel, SWITZERLAND**

In a knowledge-based economy, knowledge is the major resource in economic processes. On the one hand, knowledge can be considered as ‘given’ resource, that is, as a production factor to be optimally allocated. That perspective is close to the neo-classical approaches of economics that consider knowledge as a ‘finished’ good, in the sense that it does not change when it is transferred from an economic actor to another. On the other hand, knowledge can be seen as ‘constructed’ resource, that is, as a situated relational and institutional process to be maintained and perpetuated (Crevoisier and Kebir, 2007) in time and space. Our contribution is built on that second perspective, as we are aiming to understand dynamics of knowledge creation that take place within different economic and socio-institutional contexts. Traditional approaches in territorial economy and economic geography have most often paid attention to production challenges and technological processes in order to analyse dynamics of innovation. Different conceptual models such as clusters, industrial districts, regional innovation systems or innovative milieus, have established coherent frameworks to understand innovation processes and spatial shapes. On the one hand, they were able to consider how knowledge become a resource constructed within different time and spatial socio-economic contexts through the evolution of specific production systems. On the other, they showed how proximity enabled remarkable processes of creation/destruction of resources, in general, and of knowledge in a particular perspective. Later works on learning regions were especially illustrative of that approach. The central argument that we develop in this paper is that such models have been able to explain particular learning processes within specific local production systems taking part to a global and quite “undifferentiated” market. They participated to establish the traditional conceptual dichotomy between local and specialised production systems on the one hand and the global market on the other. Recent literature has emphasised the fact that territorial dynamics taking place between a production system and its related consumption system – especially regarding the role of the end-consumer – have largely been “neglected” by regional sciences and economic geography (Grabher et al. 2008 ; Malmberg et Power 2005). Understanding territorial shapes that take today knowledge dynamics in economic processes needs to place the analytical framework beyond traditional industrial approaches dealing with knowledge as production factor, but also beyond conception of user-driven innovation. We propose to broaden – but not reject – traditional innovation models towards an understanding of multi-local and multi-scalar relations that take into account diversity of production-consumption configuration. The paper proposes a coherent conceptual framework to analyse knowledge in various market configurations. A comprehensive typology of economic systems of knowledge creation is proposed. Such a typology presents particular concepts to understand challenges that firms, policy makers and regions face in different economic changes that involve generation, use and combination of knowledge. It is based on existing literature as well as on empirical observations made in the case studies undertaken within the FP6 European-funded project called Eurodite. The empirical illustrations that are given participate to the comprehension of ideal typical frames.

IMPLEMENTATION OF COHESION POLICY OF EUROPEAN UNION IN LATVIA**Elita Jermolajeva, Daugavpils University, LATVIA**

The aim of the research is to determine the influence of the Cohesion Policy of European Union (EU) on reduction of territorial disparities in Latvia. The main tasks are to analyze regions of Latvia and to compare them to average EU indices. Latvia is the region of NUTS2, but there are six statistical (NUTS3) regions and five planning regions in the country. Planning regions are similar by area, but different by other indicators: number of population, territory development indexes, unemployment rate, GDP per capita etc. Reducing of disparities between different territories is one of the goals of EU Cohesion and Regional Policies. Unfortunately, there are still major differences between regions both at national level and EU regions. The main conclusions: comparing regions of Latvia to EU average by GDP per capita, the main conclusion is that the regions of Latvia have developed from 2003 to 2008, but only Riga (capital of Latvia) as a statistical region was coming closer to

EU average. Other regions of the country considerably lag behind EU average (GDP per capita is about 30 – 40% from EU average).

Gateway W2

PROXIMITY AND DISTANCE IN KNOWLEDGE RELATIONS: FROM MICRO TO STRUCTURAL CONSIDERATIONS BASED ON TERRITORIAL KNOWLEDGE DYNAMICS

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Crespo Joan, University of Toulouse & Toulouse Business School, FRANCE

For decades, theoretical as well as econometrics and fieldwork based empirical analysis has recognized that distance matters for economic coordination, in particular when coordination concerns innovation activities. The dominant thought argues that the decrease of distance increases efficiency in knowledge relations so that agglomerations are well-suited to increase the innovation rate, and policy platforms favouring clustering processes have dominated the regional policy during this period. Nevertheless, recent researches have shown that under specific conditions, geographical proximity between organizations can slow down innovation or at least exhibit ambivalent effects on it (Breschi, Lissoni, 2001; Boschma, 2005; Vicente, Suire, 2007). Adopting an analytical perspective based on Territorial Knowledge Dynamics (TKDs) invites to change the focus, and to see between proximity and distant knowledge relations more a 22 complementarity than an antagonism. Relational knowledge processes imply organizations that combine proximity and distant knowledge according to specific tasks and position in the knowledge value chain. If it is undeniable that geography matters for innovation, ambivalence between proximity and distance in knowledge relations have to be highlighted in order to have a better understanding on why some regions succeed when others decline (Suire, Vicente, 2009). Indeed, the basic idea is that this understanding requires to mix the micro-economic aspects of knowledge processes with the structural features of regional systems and to study the feedbacks between them. These particular properties are hence suited for the study of the performance of regional innovation systems and their embeddedness in the global knowledge economy. Using the empirical material of the TKD-case studies achieved in the EUROTITE project, this contribution portrays an extensive view of proximity and distant knowledge relations from the micro-motives for organizations to form these relations along the knowledge value chain, to the structural properties of the TKDs which results from the aggregation of these relations. The first part of the paper will be dedicated to the micro-motives for organizations to form proximity and distant knowledge relations. In particular, these motives depend on traditional aspects of industrial organization and location theories, but also on essential parameters concerning the knowledge trade-off (Antonelli, 2007) and the complex knowledge value chain that typifies modern knowledge processes (Cooke, 2006). The second part will focus on the structural level of analysis. Using basic principles of social network analysis (Wasserman, Faust, 1994), this section will propose to deal with the question of how the identified relations give rise to particular regional structures and how these structures can be interpreted and classified in order to build categories of TKDs that corresponds to particular features in terms of relational density, related and unrelated variety (Asheim, Boschman Cooke, 2007), knowledge accessibility and global embeddedness (Vicente, Balland, Brossard, 2010). The third part tests the findings using the material of TKDs-case studies. We will show that the analysis of TKDs according to the interplay between micromotives and structural dimensions of knowledge relations leads to propose new ways for the understanding of the position of some particular places in the knowledge economy. In particular, we will classify these places according to their position in the global knowledge value chain of the knowledge domain in which they operate, the multi-scalar degree of knowledge dynamics, and the viability of the combinatorial knowledge processes at work (Crevoisier, Jeannerat, 2009). Finally, we will conclude with some basic policy implications. Indeed, the “connecting people” idea needs to be re-evaluated since the density of knowledge relations in regional innovation systems is not the panacea of the regional performance in knowledge society, and can be, in an extreme case, under efficient. Thinking about regional performance in knowledge society requires first to have a diagnostic for each region that highlights their structural properties and their organizational ecology at a time *t*. From these diagnostics, different situations should occur, some of them necessitating a particular “surgical” intervention on “missing links” instead of general interventions based on relational incentives

FROM QUADRUPLE TO A 'NEW' HELIX: STRENGTHENING HEI-SME KNOWLEDGE INTERACTION AFTER THE RETREAT OF THE STATE

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This speculative paper explores the increasingly important 'strategic leadership' role of Higher Education Institutions (HEIs) in strengthening the contribution of Small Medium Enterprises (SME) to local sustainable economic growth (HM Government, 2010). Through the Local Enterprise Partnerships (LEPs), created by the Conservative-Liberal Democrat coalition government (Pickles-Cables 2010; HM Government 2010), HEIs have been granted a key partnership role in England to advance new enterprise policies (HM Government, 2010). A key purpose of LEPs is to facilitate HEI-SME knowledge exchange for economic growth. Alongside, and related to, this policy development is the promotion of the idea of the 'Big Society', which is being advanced as an alternative to state intervention and expenditure in many areas of social provision. These policy developments are not only the result of a new political regime favouring lower public sector involvement economic and social activity, but also reflect the enormous government debt resulting from the global financial crisis of 2008 and the subsequent economic recession. It is within this context that the authors critically consider notions of the 'triple' and 'quadruple helix' to understand better the evolving relationships between HEI, Government, Industry and Civil Society in creating dynamic knowledge flows (Etzkowitz and Leydesdorff, 2000; Leydesdorff and Etzkowitz, 2003; Carayannis and Campbell, 2009). At the institutional level, each of the four spheres in the quadruple helix maintains institutional independency, whilst at the same time the co-creation of knowledge requires the development of mutual relationships between spheres (Etzkowitz, 2008). A review of the impact of recent economic and policy developments on these sphere and the interactions between them suggests that the quadruple helix has been overtaken by a 'new helix' - one stimulated by the emerging LEP regional governance structures, a changing Higher Education context, and broader economic and political imperatives which seek to capitalise on HEI-SME knowledge exchange. The prospect of this 'new helix' will be considered. In particular, while the new helix reflects a retreat of the English state, it also places increased pressure on HEIs to seek out and secure more innovative private sector-led funding mechanisms. Such increased competition to capitalise on knowledge is leading towards greater differentiation in Higher Education services including greater choice for 'customers'. However, the authors will also highlight the dangers which lie at the heart of the drive to link more tightly HEIs to commercial knowledge users, in particular those associated with the increasing comodification of knowledge.

THE EVOLUTION OF EMPLOYMENT IN KIBS SECTORS: AN ANALYSIS OF RURAL REGIONS OF BRITAIN 1991-2005

Andrew Johnston, Sheffield Hallam University, UK

Knowledge intensive business sectors (KIBS) are lauded as important components of the modern knowledge-based economy. Within advanced economies the competitiveness of regional and local economies is increasingly based on the ability to innovate, with KIBS firms forming a crucial part of regional innovations systems and knowledge networks. As a result, KIBS firms have come to be regarded as playing an important role in the development of rural economies. Using regional data from 1991-2005, this paper traces the evolution of employment in KIBS sectors across rural regions of Britain. We examine rural/urban differences in terms the initial level of KIBS based employment and the overall growth rate over the time period. In addition, we examine differences between rural regions as well as differences in trends in rural KIBS employment across the regions of Britain.

TENSIONS AROUND THE NEW REGIONALISM? THE CRISIS OF ALTERNATIVE INFRASTRUCTURE PROVISION AND THE DENVER APPROACH TO REGIONAL COLLABORATION

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In the United States, the New Regionalism often refers to the development of informal institutional arrangements between local governments, business organisations and civic groups across a metropolitan area or region spanning several counties and, in some cases, more than one state. This approach to regional collaboration is quite different in aims and functions to earlier models of regional government and metropolitan planning, which were promoted by the federal government and influential national business and civic organizations in the 1960s and 1970s. One difference is the centrality of regionalism both for overcoming suburban exclusionary politics and promoting alternative regional economic development projects. In the Denver region, after years of conflict between the central city and surrounding suburbs, a new approach to regional collaboration has proven quite effective in promoting alternative regional infrastructure initiatives. This paper considers the role of regional organisations such as the Alliance for Regional Stewardship, the Denver Metro Chamber of Commerce and the Denver Metro Mayors Caucus in nurturing regionalism as a vehicle for securing funding for the expansion of the Denver Regional Transportation District's light and commuter rail project known as FasTracks. FasTracks has been promoted as an alternative to freeway expansion and suburban sprawl. After initial successes, including a voter-approved referendum to increase the regional sales tax in 2004, FasTracks today faces a crisis of funding. Drawing on research funded by the National Center for Intermodal Transportation at the University of Denver, the paper reflects both on the history of regionalism in Denver and recent tensions around regional infrastructure provision. These tensions illustrate the important role played by 'bottom up' city and regional strategic alliances in shaping new regionalist processes and institutions in Denver as opposed to 'top down' state (federal) intervention. The paper argues for the value of taking seriously the specific contextual features of regionalism and territorial politics in the USA.

EVALUATING THE REGIONAL VISITOR ECONOMY

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Max Munday, Cardiff Business School, UK

Jane Bryan, Cardiff Business School, UK

This paper reports on a project undertaken in the NUTS I region of Wales, UK to evaluate the economic and environmental (Greenhouse Gas, GHG emissions) impact of European Regional Development Funded (ERDF) interventions to develop the regional visitor economy. Over 200 natural environment-connected visitor sites across 7 ERDF Strategic Projects are to be monitored and evaluated under the umbrella of 'Environment for Growth' (E4G). Uniquely for such interventions, the evaluation methodology is intended to produce a result which is comparable across all sites and projects; explicitly addresses issues of additionality deadweight loss and displacement; and is consistent with wider metrics related to regional development and economic activity. The evaluation approach will lever significant cost savings across sites, whilst enabling the imputation of data on visitor spending to shed light on the impact of sites that are unable to survey their own visitors. The paper explains how the above approach is made possible by the use of a developed and bespoke Regional Tourism Satellite Account (RTSA) and associated Input-Output based tourism impact model. We present initial economic results for the project. Further, the full integration of the RTSA within a set of environmentally extended input-output tables enables, together with the logging of direct 'on-site' project emissions, enables an appreciation (ex ante) of the levels of GHG emissions associated with project 'success' in terms of visitation levels. We comment on how these fit within governmental aspirations to reduce regional GHG emissions.

LOCALISM AND ACCOUNTABILITY IN A POST-COLLABORATIVE ERA: WHERE DOES IT LEAVE COMMUNITIES' RIGHT TO CHALLENGE?

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One of the key aims of the Localism agenda is to 'strengthen accountability to local people' by giving citizens the power to 'change the services provided to them through participation, choice or the ballot box' (Department for Local Communities, 2010). However, Localism is not an entirely new policy concept. Increased engagement of communities was encouraged as part of New Labour's modernisation agenda that accelerated network governance through collaboration in forums such as Local Strategic Partnerships (LSPs) between public, private and social sectors. Public sector reform now features an alternative paradigm for devolving power to communities. The Coalition's interpretation of Localism involves a new approach to governance that places the voluntary and community sector centre stage. A relative paradigm shift can be seen from target-driven performance management to citizens taking a role at the heart of the assessment and accountability of public services that also links with an understanding of the Big Society concept as a mechanism to reduce the size of the state (Smith, 2010). In the recent past, mechanisms to support citizens in challenging the work of local authorities and LSPs have been attempted through the democratic renewal and continuous service improvement agenda. This led to a number of initiatives to promote the increased involvement of citizens in supporting accountability processes, and extending local autonomy and community leadership (DETR, 1998). Local government scrutiny, for example, was developed through the democratic renewal agenda, with a particular emphasis on increasing accountability, transparency, and the inclusion of community stakeholders (District Audit, 2002). Other mechanisms by which citizens could provide challenge included opportunities for engagement through the Place survey, Residents surveys, broader community consultations, Neighbourhood Management initiatives, and area forums. Mechanisms such as Local Area Agreement (LAA) targets agreed between LSPs and Government Offices, Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA) were performance management based forms of accountability, which engaged citizens via community representation on Local Strategic Partnership Boards. These specifically performance management-based mechanisms have now been abolished by the Coalition Government to give local authorities greater flexibility and an impetus to give citizens an increased role in holding local authorities to account (Department for Communities and Local Government, 2011). The Localism Bill has been subject to much speculation. Commentators wonder whether the local authorities 'Duty to Involve' introduced through the Local Government and Public Health Act 2007 will be retained (McMullin, 2010). Within the Bill, the 'community right to challenge' has been interpreted in terms of referenda and options to take over public services. Yet the outcome of a community-driven referendum is not binding and while local authorities must publicise the result appropriately, they can decide to 'take no steps' in response to give effect to the results (House of Commons, 2010). There are key issues around accountability that are still to be determined as well as which public service (including the police) will be exempt from challenge (Newton, 2010). Importantly, the obligations enshrined within the democratic renewal agenda for local authorities to engage within networks such as LSPs have been diminished. This paper employs theory that considers the importance of inter-sector networks in local governance that create real negotiation of power where communities have legitimacy to challenge and influence public services in a dynamic forum (Klijn and Teisman, 1997). We examine fresh empirical data drawn from scoping interviews with practitioners and participants to explore reservations, anticipations and aspirations about how localism and community accountability will evolve without collaborative structures. We set out to discover whether this 'post-collaborative era' will bring wider discourses and contexts with which to understand participation or whether we are more likely to continue with a 'consensus period', devoid of dynamic and conflict that will encourage 'managerialist participation'

THE REGIONAL LABOUR MARKET POLICY RESPONSE TO AGEING: A REVIEW OF THE NORDIC COUNTRIES

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The aim of this study is to discuss the Nordic regional policy response to demographic ageing and its consequences on the labour supply. The study proposes to answer the following questions: (1) is there a policy response to ageing and its consequences on labour supply in the Nordic countries? (2) Is ageing and its consequences on the labour supply addressed in regional policies? (3) To what extent are labour market institutions dynamic to ageing and its consequences at the regional level? The theoretical framework is based upon institutional economics, the segmented labour market theory and the new economic geography. The study does not consider demography as destiny for economic development. The study also argues that the regional level is most appropriate starting point for analyses on the effects of ageing and labour market. It is also of outmost importance to focus on long-term policies for structural problems. The empirical material is based upon policy documents at European, Nordic, national and regional level as well as previous studies and analyses of demographic and labour market problems. Regional differences in population ageing and potential labour supply exist in the Nordic countries. There are several groups in the labour market who require special attention because of the severe employment situation. Youth employment is a challenge especially in Sweden and Finland where high unemployment and considerably lower employment levels pertain among young people. The relatively low labour force participation rate of immigrants is a challenge for the policy makers, nationally and regionally. In disadvantaged regions, the attempts to restructure economic structures have failed and they have thus become even less appealing for businesses and labour. Employers in peripheral regions face the challenge of a declining labour force due to population ageing, out-migration and low fertility rates. Not until recently have employers however begun to realise the implications of this and started to take action to mitigate these population trends. Thus far the short-term problems of labour shortage have been the main focus of attention. The labour market policy actions have also concentrated on the short-term measures. The demographic trend thus calls for more attention to be paid to long-term measures. The policies should demonstrate a diversified approach to develop potential labour supply, because short-term adaptations do not always match long-term perspectives. Regional variations will be even more marked in the future. Strong reasons emerge favouring a region-specific policy setting: economic structures and labour markets are connected to regional specificities. The organization of production has changed in ways which give space for greater incentives and flexibility on the labour market. Functional labour market policy facilitates a mobilisation of labour from weakening economic sectors to strengthening economic sectors. The implication for labour market policy-making, therefore, is that uniform policy for all regions, i.e. a policy based upon a national average, is neither desirable nor effective. It cannot be assumed that policies can be 'borrowed' from other regions and prove equally effective. To the extent that policy borrowing is ever appropriate, it is most likely to be effective among regions with similar types of labour market challenges. The regional governance reforms in the Nordic countries are in many cases bonded to ageing society and to its effects to advance service provision and administrative efficiency. The pressures on service provision have resulted the need to clarify responsibilities between various levels of the administration. Broadening the scope of regional ageing strategies, there is a danger that poor policy coordination between the national and regional levels may lead to the delivery of contradictory policy actions. Naturally national frameworks still decide the most important aspects of the ageing agenda, such as questions related to retirement, to the structure of welfare services and the labour market. However, national level policies and priorities are not always compatible with regional strategies. The regional governance is facing a challenge to be aware of how ageing does not only concern 'old people' but to understand interactions of ageing with many other factors like migration and employment development.

COMBINED AND COMPLEX MODE OF INNOVATION IN REGIONAL CLUSTER DEVELOPMENT - RETHINKING THE CONCEPTS OF INNOVATION MODES

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The paper employs the concept of combined and complex innovation (CCI) in order to analyse the innovation activity in regional clusters and regional innovation systems. The innovation literature distinguishes between two main innovation modes; the STI (science, technology, innovation) and the DUI (doing, using, interacting) modes of innovation. The argument in the paper is that CCI is a third mode of innovation that explains how innovation is created in the meeting between different actors with different types of knowledge. The combined and complex innovation mode results from complex combinations of different types of knowledge both in-house in firms, in collaboration between firms and with research organisations. An important element in the CCI mode is that innovation processes include development of the technological platform and the core competence of companies. This demands some R&D-based knowledge in the companies as this development typically takes place as applied research projects in collaboration with external R&D organisations. It includes developing the technologies and core competence to be used when developing specific products, services and solutions for individual customers or markets. This type of technology development differs from the STI mode of innovation by being more occupied with developing and improving specific technological platforms and core competencies, while the STI mode is more geared towards the commercialisation of basic research. It differs from the 'pure' DUI mode by its occupation with developing general knowledge and technology and collaboration with external knowledge organisations. The CCI mode demands both applied R&D-competence and experience-based knowledge about specific products, production processes, and about the needs of specific customers and market niches. The discussion in the paper is theoretical and conceptual, but grounded in detailed studies of a regional cluster in Norway.

HOW TO CREATE A NEW HOLIDAY DESTINATION? AN EVALUATION OF LOCAL PUBLIC INVESTMENT FOR SUPPORTING TOURISM INDUSTRY IN REGIONS LAGGING BEHIND

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In many European regions, globalization and interregional competition have resulted in a collapse of old traditional industries and strong economic development problems. Policymakers in some of these regions are trying to change the path of development in the direction to attract businesses from the field of tourism, in many cases with the help of money from the national government or the EU-level. The general question is whether this strategy could be successful. The paper reports on an empirical study for the German state of Saxony. In many Saxonian regions, following the German re-unification, a strong de-industrialization has taken place. Since the 1990s, in Saxony, the field of tourism had been one major sector for creating new local infrastructure. E. g. in areas with exhausted opencast workings, where the mining industry had formerly been the main source of income, policymakers have begun to change the region into a new lake district and to build infrastructure like waterways, marinas etc. Millions of Euros have been spent to build new bike paths throughout the state or to construct completely new local tourist attractions. The paper's first section gives an overview on tourism industry in Saxony and on public investment in infrastructure for supporting this sector. The second section has the task to identify specific location factors which are relevant for tourism industry. This is done on the base of existing theoretical and empirical studies. The third section is evaluating the impact of public investments for supporting tourism industry in different parts of Saxony; this is based on quantitative data and qualitative interviews with local experts. One major result is that infrastructure in the field of tourism may only have positive effects on regional development if a region is well-equipped with relevant complementary factors, e. g. with a service-oriented mentality within the population. In many cases, the grants from the national to the local level have been spent for infrastructure which is mainly used by the local population, not by tourists.

ADDRESSING GRADUATE RETENTION IN THE NORTH EAST DURING THE DOWNTURN: ARE BUSINESS EMPLOYMENT COOPERATIVES AN APPROPRIATE MODEL?

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Introduction This paper will set out the current evidence on graduate retention and predictions of difficulties facing new graduates in 2011/2012. It will set these predictions in the context of the relatively weak economic position of the region, its poor position in terms of high level skills in the workforce and the mobility of the highly skilled. In the absence of a high demand for graduate labour in the workplace, this paper will seek to explore whether promoting self employment may be an alternative strategy to retain high level skills in the region, at least in the short term. It will look at one specific model of self employment promotion as a labour market strategy, Business and Employment Cooperative. The paper will then set out the opportunities, risks and challenges associated with model for the North East, with recommendations for policy development.

Justification From analysing the current evidence it is clear that the supply of graduate level jobs will be outstripped by demand to a greater extent in 2011/2012 than has been the case for several years. People with high level skills are more mobile and the prospect that economic recovery will be patchy, with the North recovering more slowly, is a severe threat to the future economic health of the north east. There may therefore be a case to make for supporting the highly skilled and recent graduates in particular, to create their own jobs. While this may have the outcome of creating additional businesses in the region, the primary objective behind this strategy would be to retain the talents and skills of graduates within the region. The policy would need to target people that are not typically 'entrepreneurial' and therefore the strategy employed would need to have an element of 'risk reduction' in order to attract those whose primary objective is employment. One possible approach is to establish a network of Business and Employment Cooperatives (BECs) targeted at prospective and recent graduate. According to the Coopérer et Entreprendre network the model, which originated in France in 1996, has been enthusiastically adopted there, with BECs currently operating in more than 100 locations. In the last decade the idea has been rolled out in other countries including Belgium, Sweden, Canada, Morocco and Madagascar. What differentiates BECs from other business startup and incubation models is that the cooperative member becomes a 'salaried entrepreneur', drawing a fixed income throughout the business development and startup phase. They can chose to remain part of the cooperative once their business is established as a member of a mutually supportive 'hub' in return for sharing ownership of the business with the cooperative. BECs enable members to pool resources and share the costs of premises, administration and other support functions. BECs also offer the budding or new entrepreneur additional benefits, such as a sense of 'belonging' and connection with others in the same position and ready access to support and expertise from enterprise development professionals.

Literature Review Blanchflower (2004) found that a large proportion of UK workers (over two thirds) expressed interest in self employment. However many also expressed an unrealistically rosy picture about how self employment would impact on their financial and emotional well being. Sanders (2004) casts doubt on the effectiveness of self employment over other labour market strategies. Schreiner (1999) argues that quick entry into self employment prompted by public sector incentives may result in people abandoning job searches too quickly. Schreiner also points out that earnings from self employment can be low and risky. Schreiner does however point out the potential of self employment programmes to enhance an individual's employability by increasing self esteem, enhancing skills and signalling 'internal oomph' to prospective employers. Bell and Blanchflower (2009) argue that while the roots and origins of the current recession may be different to those of the 1980s and 1990s, the effects will, as before, be felt most acutely among the young and the poor. They call for direct interventions in the labour market by the government and public sector, specifically targeting young people.

**A STUDY ON THE LOCAL COMMUNITIES FOR SUSTAINABLE PLANNING FRAMEWORK
IN CULTURAL DISTRICT FOCUSED ON CULTURAL MAPPING IN SAMCHEONGDONG AREA
IN SEOUL, KOREA**

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Emergence of creative city has drawn a wide range of attention from not only municipal government or policy maker, but also academic researcher and civil group. The community and local actors become one of the most important factors which bring the sustainability of cultural district. Hence, this paper is focused on investigating dynamic aspects of cultural district to emphasize the role of community. Within the research process, the concept of cultural mapping has been applied. The cultural mapping approach is divided in two ways. First, this paper investigates the cultural districtualization process of Samcheongdong area in Seoul by physical mapping. Past 10 years, more than 80 cultural facilities, including gallery, museum have been moved into Samcheongdong area. Second, this paper took analysis of local community by cognitive and pattern mapping in describing cultural districtualization of Samcheongdong area. In the end of paper, some issues for regional planning are suggested.

**THE ACTIVISM OF KOREAN ENVIRONMENTAL MOVEMENT AGAINST CONSTRUCTION
PROJECTS: FOCUSING ON DAM CONSTRUCTION PROJECTS**

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Background During the last decade 1998-2007, Korean environmental movement staged active environmental movement against national construction projects (e.g. dam, road, railway, canal, and nuclear waste facility) and their protests was really hot issues. They also achieved meaningful outcomes such as the cancellation of projects. However, approaching the latter 2000s, their protests did not achieve their desired goal and even have strong mobilization. In spite of their continuous protests, their protests did not develop into strong movement. Anti-dam movement was the typical movement in Korea. In particular, the anti-Dong River dam movement (1998-2000) was the highlight of Korean environmental movement. Facing the strong objection, the government had to cancel the project. Right after the Dong River dam issue, there was another active anti-dam movement – anti-Hantan River dam movement (2000-2007) which was called the 2nd Dong River dam issue. However, in spite of tenacious protest, anti-Hantan River dam movement failed in the cancellation of dam construction and did not even receive wide support. It started to face criticism. Here an important question is raised. What caused the change? This study will address with this interesting question. Analytical framework Political opportunity structure (POS) theorists argue that social movements are vastly affected by the existence of political opportunities. The political opportunity structure explains the entire cycle of social movement: from the mobilization to the outcome of social movement (McAdam, McCarthy, and Zald, 1996). This research examines the process and outcome of Korean environmental movement with the political opportunity structure. In this research, the political opportunity structure is defined as “the degree to which challenging groups are likely to be able to gain access to power and to manipulate the political system through political alignments” (Eisinger, 1973). According to the definition, the main dimensions of the political opportunity structure are comprised of “access to (openness of) the political system” and the “power relation in relation to issues” as below (Gamson and Meyer, 1996). In conclusion, social movements should have more chances to voice their opinions to the political system and more allies to support their opinions. **Research question and methodology** Through political opportunity structure approach as analytical framework, research questions are raised. • How was gradually weakened Korean anti-dam movement during the last decade (1998-2007) shaped by political opportunity structure? -How did political access to the political system and power relationship affect anti-dam movement? •What change of political opportunity structure led to the change of anti-dam movement and why did political opportunity structure change? To answer this question, this research undertook two in-depth case studies. The anti-Dong river dam movement (1998-2002) and the anti-Hantan river dam movement (2003-2007) were selected as the main case studies. The case study areas were selected because both cases are the typical cases representing the anti-dam movement during the last decade and they fully covers the last two administrations over last 10 years (1998-2007). In-depth interviews and secondary data analysis were carried out. Around 50 people, including Environmental NGOs (ENGOS), local NGOs, government officials, public corporation

workers, politicians and mediation committee members were interviewed. Research findings There was power relation shift from environmental bloc to developmental bloc and this power shift was finally linked to anti-dam movement's weakened mobilization and failure in terms of outcome. Environmental ministry, local residents and governments, and mass media showed different positions in the Hantan River dam case. (Ministries) While the ME maintained the opposition to dam construction in the Dong River dam case, it did not have objection to dam construction any more after the compromise with the MOCT in the Hantan River dam case. (Local governments) While more local governments and residents had objection to dam construction in the Dong River dam case, more local governments and residents were in favor of dam construction in the Hantan River dam case. (Mass media) While majority of mass media supported anti-Dong River dam movement, mass media severely criticized anti-Hantan River dam movement. The citizens showed the lack of interest in the Hantan River dam case. This power relation shift was caused by several reasons, but the different attitude of the government and newly introduced policy system were the main reasons. Firstly, the government changed their attitude and actively engaged in the conflict meditation. Secondly, in substantive term, the developmental ministry made a considerable concession (the change into flood control dam) to lower the cost which related conflicting parties have concerns about. Thirdly, the economic incentive system for local counties surrounding the dam site contributed to local government's easy acceptance of dam construction. In conclusion, the government's change in both the procedural and the substantive term resulted to the change of related stakeholders.

Gateway N

BEYOND LOCALITIES AND REGIONS: CONCEPTUALISING THE SPATIAL SCALES OF INNOVATION ENVIRONMENTS

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The relationship between firms' local or regional operational environment (i.e. their location) and their innovativeness or business performance is still more or less a "black box". At least partly due to the complex nature of this relationship, there is a plethora of concepts trying to open up the "black box". All these concepts – the members of "TIM family" – have different theoretical backgrounds emphasizing different aspects of the phenomenon. The different TIM concepts have increased understanding of territorial dynamics of innovation, but oddly enough, one of the soft points in this line of economic geography is the weak reflection on space and scale. Especially in many early papers administrative regions were taken as the starting point for the analysis of firms' innovation activities. This is clearly an unsatisfying point of departure, as firms' innovation activities and networks do not recognize administrative borders. On the other hand, there are also examples of unclear definitions or descriptions of the spatial scales which are dealt within the research. This point is to some extent parallel to the notion on the insufficient dissection on the relationships between structural issues and local specificities. However, some interesting articles and conference papers addressing the question of the actual spatial scales of regional innovation activities have been published quite recently. Contemplation of these issues has produced several interesting notions, such as "local buzz and global pipelines", "different forms of proximity" and "multiscalarity of innovation systems". These approaches have been highly valuable in terms of enriching our understanding of the spatial dynamics of innovation activities. Still, they do not usually touch all the relevant features or dimensions of typical TIM concepts. It is argued in this paper that more general conceptualisations are still called for, despite the danger of them being too general or eclectic. In this paper, one of the newest TIM concepts, namely the "local innovation environment", is examined from the perspective of spatial scales. The main idea of this approach is that a local innovation environment consists of three intertwined levels, namely 1. the structural and institutional level (e.g. business structure and institutional setting), 2. the organisational level (e.g. nature and dynamics of local inter-organisational relationships) and 3. the individual level (e.g. nature and dynamics of local inter-personal relationships). Each level has certain characteristics and dynamics that are necessary to make a local innovation environment innovative, i.e. enabling and stimulating in terms of the innovation activities of firms locating in this particular environment. This notion opens two avenues of consideration: 1. How the three levels are connected to each other? and 2. Do these levels differ from each other in terms of their spatial scales? In this paper, the latter question is discussed in detail based on existing theoretical and empirical literature on the spatial scales of innovation activities.

**TRENDS, OBSTACLES AND PERSPECTIVES OF THE UKRAINIAN INNOVATION POLICY –
FUTURE ACTIONS AND OPPORTUNITIES FOR POLICY LEARNING**

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All national governments usually declare the need to stimulate innovation for the well being of the national economy. Ukraine possesses a considerable number of preconditions for reaching high indicators of innovation development. First of all, this is the extensive network of high schools having long traditions of teaching natural and exact sciences as well as of the scientific-research institutions; high proportion of people with higher education and scientific degree; populations' general susceptibility to innovations, exact sciences and techniques; presence of a big number of enterprises specializing in the release of high-technology production, which preserved unique highly qualified personnel etc. At the same time the indicators of innovation development in Ukraine remain low, what could be explained by the number of reasons. First of all, the system of interaction between science, education and production was almost destroyed, that creates a situation, when unique inventions and technologies do not find implementation in Ukraine and either are archived on the project stage, or flow abroad together with their authors or without them. The economy of the country has become increasingly oriented towards producing of relatively simple goods for export. Even the remaining working enterprises involved in the machine-building sector (for example, shipbuilding), as a rule, occupy low value added segments in technology intensive sectors. Competition in such market segments is particularly intense and Ukrainian companies are persistently under threat of losing out to businesses from developing countries. Not less important in this connection are insufficient volumes of academic and branch science financing, in spite of a recent gradual increase; outdated material base of scientific and research institutions as well as the imperfection of the mechanisms of commercialization of developments created for the state cost. But in spite of all this, Ukraine has managed to mainly preserve its human potential in scientific-technological and innovation spheres, what enables to make up for the possibilities of the active innovation development. As a general rule, innovation activity is supported via direct financing from the state budget through the system of state scientific and technological programmes. No specialized national funds aimed at support of innovation activity have been created in the country. It is only recently that new mechanisms, such as tax incentives, have been implemented (e.g. technoparks between 1999-2004). Understanding of the importance of innovation policy is growing within the Ukrainian authorities, both at national and regional levels. Recently several regions (oblasts) have started to pay more attention to the problems of innovation development, although this attention has not been accompanied by effective practical measures. Several oblasts have prepared new Conceptions of Innovation Development. Also, some oblasts have included an 'innovation dimension' in their programmes for regional development. The main problem of these programmes and conceptions is that, usually, they do not contain practical steps, and are inadequately supported with financial resources and organizational measures. At the same time, all these documents rightly stress the importance of the creation of adequate institutions and infrastructure for the development of innovation activity. Bearing in mind the intention of the country to join the EU in the future, the Ukrainian authorities are interested in harmonisation of the national innovation policy with the EU policy. This is especially visible in the IPR sphere, where Ukraine joined all major international agreements and established strict procedures for patent registration by abolishing so-called 'declarative' patents in the first half of the 2000s. At the same time, real progress in support of innovation activity is very limited due to political instability and the ineffective economic policies of successive governments. In fact, instruments of support remain largely limited to direct financing through the state budget. Poor policy design and an unfavourable business environment are the key reasons for the failure of innovation policy in the country. It is clear that the creation of an innovation-friendly environment has to be among the key tasks of the Ukrainian authorities.

REGIONAL DEVELOPMENT STRATEGIES FOR A PERIPHERAL MICROREGION OF HUNGARY

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Enes microregion is located in one of the most backwarded areas of North-East-Hungary. Unfavourable physical conditions, low level of education, high level of unemployment characterises the microregion. During the period shortly before and after the accession of Hungary to the EU several development strategies have been elaborated for the microregion. Their realisation and impacts are analysed in the paper. The fields and impact of a possible co-operation between the microregional development council and a university is discussed on the basis of experiences gained in a neighbouring microregion.

KNOWLEDGE BASED CROSS-BORDER COOPERATION REGION: ESSENCE, PERSPECTIVES AND PROBLEMS OF CREATION

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The globalisation of economic and social activity is testing the ability of local economies to adapt and exploit or maintain their competitive edge as scale becomes more important: economic activity continues to cluster and concentrate. Technological change (ICT), networking and greater use of knowledge are offering new opportunities for regional and inter-regional development and knowledge transfer, but demand changes in local governments' governance philosophy, further involvement of innovative enterprises and participation of universities and research institutions in local environment. There is wide-ranging international practice and theoretical literature on cross-border cooperation. Such cooperation has usually been focused on cross-border cooperation topics like mobility of people, employment and environmental problems, leisure and tourism, business cooperation, health and education. However, the topic of higher level international cooperation of border regions and border cities where the focus is on joint development of Knowledge and technological knowledge transfer in cooperation, fostering of contacts of universities-enterprises-local authorities, using triple-helix method in the framework of cross-border cooperation. Progress towards such cooperation models can be seen in case of Oresund, also in case of Leuven-Endhoven-Aachen known as ELAt network, also in the case of border regions of USA-Canada, mainly concentrating on ICT development and cross-border cooperation. In case of such a scenario the goal would be to create cross border knowledge region. Applying knowledge concepts to cities and regions is a phenomenon of the last twenty years. From a geographical perspective, Helsinki and Tallinn are among the closest capitals in Europe. A long-term vision states that the Helsinki and Tallinn regions will form a united science and education area - a Knowledge region in the future. In current article the author studies preconditions and obstacles for creation of a common knowledge region between Helsinki and Tallinn capital regions under conditions where a special integration enhancing institution NPA Helsinki-Tallinn Euregio is part of the process. Creation of crossborder knowledge region (that differs from a learning or technology region) is a long-term and complicated process, where the main obstacle in case of at least EU member countries is not related to a region as a physical barrier but rather as mental, informational, cultural (including organisations' culture) barriers. A separate problem is whether both regions should have similar economic and technological development levels for such integration or if this is not required. In the present paper such approach on crossborder knowledge region as a target status of integration is analysed, some hypothetical typologies are presented and opportunities and difficulties in implementation of cross-border knowledge region ideology are illustrated with the cooperation experiences of Helsinki and Tallinn capital regions.

PARTNERSHIP IN PRACTICE EXPLORING THE PARTICIPATORY PATTERNS OF THE PARTNERSHIP PRINCIPLE

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The present paper will be based on my PhD. thesis which explores how the definition of the EU regional policy partnership principle has influenced regional policy implementation structures in Denmark during the 2000-2006 programming period. It will present the general findings of my research so far and in the end the question of 'where do I go from here' will be put forward. Arguably the definition of the partnership principle is vague because it needs to fit, at the time, 15 individual member states' institutional practices and structures. It may be said that there is one Union, but 15 systems' approaches to partnership. Based on the partnership definition of Åkerström Andersen (2006), it may be argued that the partnership principle may be regarded as a framework in which a system of opportunities for cooperation in 'partnership' has been created. But the actual implementation of these partnership frameworks depends on the interpretation of the member states and how well the partnership structure fits with existing national practices and institutional structures. It depends on the will to establish appropriate capabilities, both organizational and individual, to realise potential benefits as well as a supportive context of institutions and established practices in order to ensure the actual empowerment of the prescribed actors of the partnership principle. It may then be expected that specific national models of partnership have been developed based on the general partnership definition. Exactly because of these expected variations in partnership approaches it is important to notice that an in-depth analysis of each of the individual member state institutional structures is required in order to establish these differences. Each individual institutional context has its individual characteristics and developments influencing the implementation of the partnership principle. This thesis will initiate such an investigation by looking at one case; the Danish institutional context during the 2000-2006 programming period. The most appropriate place to start such an investigation is with historical institutionalism (HI) as it focuses specifically on the development of institutional contexts. Also a core assumption of the paper is that 'influence' implies 'change', which according to HI is dependent on institutions and the historical development of those institutions. Then in order to identify change, it is necessary to establish the developments of the institutional context in which change is expected to occur. A part of the analysis will be dedicated to an investigation of the development of Danish public policy making with special attention to regional policy making which has traditionally not been an independent policy area within Danish public policy. It has been tied up with other policy areas such as labour market policy, employment policy and industrial policy for which reason identifying participatory patterns becomes complicated. Arguably it involves both vertical and horizontal cooperation. Cooperation has become even more complicated with the introduction of EU policies along the way, reflecting the adaptation of national public policy making to the requirements of the EU. This part of the analysis will mainly be a retrospective account taking stock of developments leading up to the 2000-2006 programming period. Having identified developments 'before', the developments 'during' will be the next step. To identify whether change actually occurs; whether the partnership principle has actually changed established participatory patterns in Danish regional policy making, these patterns need to be identified alongside the institutional structures that frame the patterns of interaction. This implies that the patterns of interaction within regional policy making in Denmark need to be investigated. In this connection 'patterns of interaction' involves who the partners are, why they are involved, what their roles are, how they interact, what their inter-relations are, etc. Governance network theory will serve as a guiding tool for this analysis, which explains how actors interact in networks and what determines this interaction. Parallels may be drawn to partnerships in that just like with the partnership principle, in networks institutional 'rules' exist thus setting the frames of interaction. Network governance theory is more explicit in what is going on inside these frames set by the partnerships/networks. So far so good. This is where I have come at this point of my research. The next step is to prepare for the analysis, which will be based on semi-structured elite interviews with central actors involved in Danish regional policy making during the 2000-2006 programming period. My 'problem' is to take the theoretical considerations and the preliminary analysis a step further towards designing the interviews so that they will enlighten my analysis and help me answer my problem formulation. The intention is that my presentation will lead the listeners into a discussion of addressing my problem.

A NEW PUBLIC MANAGEMENT CONCEPTION IN THE ORGANIZATIONS RESPONSIBLE FOR A REGION DEVELOPMENT IN POLAND

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After Poland's accession to the European Union in 2004, Polish regions have received resources which allow them to create their own development strategy, independent from the central government. These resources come from European Structural Funds. Institutions responsible for transferring European funds at the regional level are regional governments. In the 2007-2010 period these governments received a total of 23 billion Euro. Therefore, efficiency in the distribution of European funds depends mainly on regional administrative structures. In the traditional, bureaucratic public administration system in Poland, activities are focused on expenditures of money and procedures. In the case of New Public Management (NPM), the aim is to improve efficiency, good results and the quality of public administration services. The main aim of this article is to estimate possibilities of applying NPM concepts in institutions responsible for the distribution of EU funds at the regional level in Poland.

CLIMATE CHANGE ADAPTATION IMPLICATIONS FOR SPATIAL AND REGIONAL DEVELOPMENT POLICY: CASE OF LATVIA COASTAL AREAS

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It is recognized that there will be considerable climate change impacts in coastal areas. This requires particular attention to coastal areas by climate change adaptation policies at various levels. Latvia coastal areas includes places that are highly urbanized, rural or under nature protection regime. Such high coastal diversity in development patterns request stakeholder involvement and knowledge sharing. The article will provide an analysis of climate change adaptation Latvian case studies particularly focusing on existing experiences in stakeholder involvement and existing policy development initiatives. These activities are initiated both by EU-financed projects, as well national and local level financing. The case studies include capital city Riga, as well as Salcgriva and Engure coastal municipalities with smaller urban and rural settlements. Increased uncertainty, blurred borderlines, fragmentation and contextuality of climate change multi-sectorial impacts are challenges that are facing spatial and regional development policy. Activities initiating the climate change adaptation have also a role of catalyzer towards better stakeholder involvement and cross-sectorial coordination of existing policies. However due to the financial crises recent national government activities towards liquidating regional municipalities, planning regions and national level authorities in the regions that were acting as knowledge generators and distributors and cross-sectoral coordinators puzzle climate change adaptation implementation.

ACCESS TO SERVICES OF GENERAL INTEREST IN RURAL REGIONS – EXPERIENCES FROM GERMANY

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The provision of accessible and affordable services of general interest is an important goal of territorial development policy. Demographic shifts, privatisation of service providers, restrained public budgets and changing demands of the users challenge an area wide supply of services. Particularly rural areas are affected by spatial concentration and closing-down of public and private services. Otherwise, increasing mobility by car and ICT allows a wider choice of services also for people living in rural areas. Thus, opportunities and threats arise particularly for those who do not have a car available. Against this background, the research question is: how is

the provision of services of general interest in rural regions changing? To focus the research, the contribution presents empirical data for selected fields including public transport, provision of convenient goods, primary health care and primary schools. The evidence stems from nationwide statistics and two case studies in the Harz Mountains. The in-depth research area consists of two small towns with their hinterland. Here, the development of services of general interest is reconstructed. Beside literature review and statistical analyses, decision maker in politics and providers from the public, private and voluntary sector are interviewed. Thereby, perceptions of current and future challenges are traced, implemented and planned strategies surveyed as well as recommendations for rural and regional policy discussed in order to support the access to services of general interest. The results show the reduction of bus services, the concentration in the retailing sector, the failing of general practitioners to find a successor and closing-down of schools. These processes differ among the regions and depend on the economic situation, the institutional structures and the base level. Furthermore, the perception of the problems is connected to the aspiration level and the available resources to responds to the resulting challenges. Local and regional actors discuss many strategies and they have already implemented some measures to assure the access to services of general interest. These involve for instance demand responsive transport, village shops, incentives for practitioners, who establish their office in under-supplied rural areas, and small schools. All these strategies feature some negative side-effects which decision makers should take into consideration: e.g. the need for high subsidies or for citizens who are continuously willing to engage as volunteers. Moreover, strategies should consider the perceptions and resources of the individual users of the services.

Gateway H

INDUSTRIAL POLICY AFTER THE CRISIS: THE CASE OF THE EMILIA-ROMAGNA REGION IN ITALY

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In this paper, we discuss regional industrial development policy with reference to the case of the Emilia-Romagna region in Italy. Industrial policy has returned to political and academic debate since the end of the 1990s as a result of the deep structural changes generated by globalisation. Competition has intensified worldwide leading to a rise in the knowledge content of production processes and changes in production organisation, hence the division of labour that determines firms' competitiveness. The crisis has confirmed the need for industrial policy and made this debate even more useful. In this paper, we develop a model for industrial policy decision-making and we apply it to regional industrial development policies, focusing on the case of the Emilia-Romagna region in Italy. We chose this region because it has been a model of diffused industrialisation and flexible specialisation, where industrial development is intimately linked to the civil society and social norms and values. This model has been much discussed in the 1980s. What is interesting is that the region is still a model today, discussed in the literature on regional innovation and regional development, as a knowledge-based society and economy. We argue that industrial policy has played and is still playing a very important role in the region. Whereas industrial districts still exist in the region, the industrial development policy has not consisted in desperately maintaining old industrial structures but rather at their upgrading through technology transfer, together with the development of new industries. The regional government has involved interested parties, mainly firms and industry associations but also other stakeholders such as universities, in order to define a shared vision of long-term economic development and appropriate instruments geared to it, constantly ensuring consensus. Networking between the different interested parties has therefore always been stressed, thereby allowing the development of a regional innovation system. The ER industrial policy is holistic, considering the different regional production systems as parts of a whole which development requires the coherent evolution of all its parts. Industrial policy is also pro-active, in that policy-makers try to anticipate changes in order to favour the adaptation of the production system. Policy helps change, providing a context favourable to adaptation (providing resources and entitlements, as we will argue in this paper), but does not substitute private decision-makers. Whereas discussions of industrial policy have so far tended to essentially discuss the availability of instruments and their possible mix in different policy fields of industrial policy, we argue that what is essential in the globalised, post-crisis world is to define industrial policy taking account of all parameters influencing development, ensuring the sustainability of the development path induced by the policy choice, and ensuring the complementarity or coherence of actions taken at different levels of government. We show that the relatively

good performance of the ER region in terms of economic and social development can be attributed to a large extent to the industrial policies that have been implemented since the 1980s. These policies have tried to anticipate changes in the industrial structure and have provided the appropriate gears towards sustainable development paths.

Gateway U

THE NEW TRAM AS A CATALYST AND TROJAN HORSE? HOW A LOCAL PLANNING PRACTICE IS INFUSED AND TROUBLED BY A GLOBAL TRANSPORT CONCEPT

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Since the the Edmonton Light Rail Transit (LRT) opened in 1978, the LRT has mushroomed across the world, yielding hundreds of city-regional systems. The diffusion of the LRT concept has been accompanied by the development of an extensive repertoire of stories, scripts and tools aiding and legitimising investments in LRT. In response, counter-stories and alternative approaches (such as Bus Rapid Transit) have emerged prompting further adaptations and refinements of the LRT concept. With this legacy, the concept continues to infuse new developments. Building on recent developments in planning and assemblage theory, this paper will focus on the interaction between the articulation of the global 'LRT' concept and one such new development, the proposed tram between Heyendaal and Bommel in the Nijmegen area, the Netherlands. The analysis shows the extent to which 'global' concepts help local planning practices to gain direction, overcome obstacles, and mobilise support and resources, while, in return, aiding to the development of the concept. Yet, besides this catalytic role, the concept also acts as a kind of Trojan Horse, through the way it takes on board many of the unresolved issues that accompany the approach.

Gateway F

EGTC A BREATH OF FRESH AIR FOR PRACTICAL CROSS-BORDER CO-OPERATION TRACING THE LEGAL CROSS-BORDER CO-OPERATION FROM THE EU LEVEL TO THE GALICIA-NORTH OF PORTUGAL CROSS-BORDER REGION

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European cross-border co-operation as a form of territorial co-operation between different countries that share a common border has evolved and transformed along the years. From casual efforts, like the establishment of contacts or town twinning, it developed into more formal frameworks and structures, as the recognition that to achieve deeper and more effective cross-border co-operation, formalized agreements should be established. We can trace the various stages of legal cross-border co-operation at a European level, a process started formally with the Madrid Outline Convention in 1980. Since then, the European Union and the Council of Europe have been building this form of co-operation progressively, introducing a series of structures and frameworks. Three protocols have already been added to this first foundational document. From this framework various bilateral agreements have arisen. In the 90s there is a marked boom in euroregions or similar cross-border co-operation structures – an upsurge associated to the introduction of the INTERREG Structural Funding Programmes. Along this process, a need for a Community level legal personality cross-border co-operation tool became apparent. However, one of the greatest difficulties identified was the existence of an extensive variety of legal systems and procedures across the many European States. In such a way, the quest to overcome this difficulty became part of the very goal to improve and deepen cross-border co-operation. In this light, more recently, the challenge has been to design an instrument of cross-border co-operation equipped with legal personality, applicable within different legislations of the many States. The European Grouping of Territorial Co-operation (EGTC) is the first contribute towards this effort, therefore an innovation in legal cross-border co-operation. Since its implementation, we notice a boom in its adoption by a few Member States considering it was created very recently. This is the case of the regions along the Portugal-Spain border, where in just two years three EGTC have been created, and more are in projection. This paper, which is part of a broader project on cross-border co-operation between Portuguese and Spanish border regions, aims to identify this process of cross-border co-operation at a European level, and then more specifically in Galicia-North of Portugal, an ever-pioneer region in

this form of legal co-operation along this border. In this sense, we analyse this process that seeks to achieve a progressively deeper and more effective cross-border co-operation, and which culminates with the EGTC, a recent instrument, but one that presents itself as a ‘breath of fresh air’ in the co-operation of this cross-border region when seen as a solution to some of the obstacles that hinder the enhancement of this form of co-operation.

Gateway V

EMERGENCE OF SHARED LEADERSHIP – MISSION IMPOSSIBLE? LONG TERM EXPERIENCES FROM A LOCAL NETWORK IN THE BASQUE COUNTRY

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In order to improve the efficiency of regional innovation systems -especially in territories with many SMEs- the absorptive capacity that these need to innovate can be developed with the help of proximity agents (Piore and Sabel, 1984; Zahra and George, 2002; Giuliani, 2005; Staber, 2007; Asián and Zurbano, 2010). Development agencies and networking processes developed through their activity can play this role. This kind of network, which we will name policy networks, can play a critical role in regional governance and development and are very difficult to create and sustain. This is a topic that has not been much discussed in the regional development literature or in the leadership literature and it's the point of departure for the paper. The main argument is that attempts to create and develop policy networks frequently fail because the “right” leadership does not emerge in every stage of the process. Shared leadership has been proposed as the “right” leadership for such networks. This concept has already been incorporated to the political discourse, but with an idyllic image of consensus based cooperation. The paper underlines the idea that shared leadership in situations of regional complexity is a cyclical process. In every cycle the dynamics of conflict and consensus is different and consequently a different leadership emerges. Frequently, the transit from conflict to the necessary consensus for action takes place in a context of confrontation of different positions and the search for balancing power of different regional agents. Such balance creates the conditions for a relay in the right moment of time in the development of a network, making survival of the network possible. External impacts can be critical for the development of these networks. Still, shared leadership as relay in time has also to evolve bottom-up and from inside out in order for policy networks to survive in the long run. The “engine” for shared leadership to emerge and evolve is engagement of the actors that participate in the network. The engagement is expressed through the desire of individuals to make a difference and it is related to the culture and social structure of the region. Engagement in the long run must not be understood as something spontaneous, but something to collectively build through shared action and reflection on action. The social capital generated in this process provides trust that makes the engagement possible. Consolidation of these policy networks can sound as a mission impossible, but there are also cases that demonstrate the opposite. Shared leadership can be created in a long term basis. Long term does not mean forever, but the paper presents the case of a network that has evolved through different phases over the last 10 years. It is a local development network in the Basque Country named EG. One of the characteristics of the Basque Country is the dense institutional framework, with the national level and three different administrative levels within the region affecting innovation policy. Ezagutza Gunea (EG) is a network for the management of knowledge and training that has been promoted by the local development agency, Iraurgi Lantzen in the Middle Urola Valley. This network is composed by the two municipal councils in the county, the local development agency, all training centers in the area and 27 firms. The case is about how different actors in a network connect and interact with each other in a long term perspective related to different challenges the network has faced. How they, through dialogue - sometimes in conflict and other times in consensus-, develop a shared vision of the network. The desire to make a difference in the development of their county emerges as a result of this process of sharing experiences. The main question discussed in the paper is the following one: how does shared leadership emerge and evolve in a policy network? The paper will analyze how leadership of the EG network has evolved since it was created, focusing on how shared leadership slowly emerges in a context of a diversity of goals and interests.

FIRM, TERRITORY AND TIME-SPACE KNOWLEDGE DYNAMICS: A COMPARATIVE ANALYSIS IN THE AUTOMOTIVE AND TOURISM SECTORS

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The geographical dimension of knowledge generation, circulation and use is a key issue to understand the place of regions in a knowledge based economy. In the last decades, traditional territorial innovation models (TIMs) (Moulaert and Sekia 2003) have developed useful theories to understand particular regional innovation and learning processes. However, those models have rarely described how a region relates with other regions at the global scale and how learning processes evolve in time through different configurations. Those issues have been addressed by two complementary theories. On the one hand literature on Global production networks (GPN)(Coe et al. 2004 ; Coe et al. 2008) has developed a relevant framework to analyse trans-regional and multi-scalar organisation of global production processes. On the other, the evolutionary economic geography approach (EEG)(Boschma and Frenken 2006; Martin and Sunley 2006) have emphasised time processes in dynamics of innovation and learning by describing, for instance, particular learning trajectories and path dependences. The concept of Territorial Knowledge Dynamics broadly defined as economic changes and learning processes situated in and across concrete time and space contexts provides an opportunity to bridge different elements of those approaches. The aim of this paper is to analyse knowledge dynamics through the relation between the firm (micro-level) and the territorial organisation. Territorial Knowledge Dynamics emphasise here a multi-scalar and continuous process of knowledge creation and innovation. Using theoretical elements of the EEG and GPN approaches, a dynamic view of territorial innovation models (TIMs) is proposed. Based on 15 knowledge biography case-studies in the automotive and tourism sectors, a comparative approach is used. A micro-level analysis provides an in-depth understanding of innovation, which is seen as a continuous but unruly and non-linear (Ibert 2009) process of knowledge creation. Interactions between the firm and the multi-scalar territorial context are finally discussed (Bunell and Coe 2001). This description and comparison of different types of geographical organisation in different time phases highlights the fact that interactions between firm and territorial knowledge dynamics (TKDs) are multi-scalar and dynamic. It consequently complements and broadens the traditional analysis of TIMs.

LEADERSHIP IN ACTION: AN EXAMINATION OF UK LOCAL ENTERPRISE PARTNERSHIPS THROUGH THE LENS OF URBAN REGIME THEORY AND STAKEHOLDER THEORY

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This paper examines leadership in action in UK Local Enterprise Partnerships(LEPs) through the lens of Urban Regime Theory (URT) and Stakeholder Theory (ST). As the UK Coalition Government dismantles the existing regional architecture and abolishes RDAs (Regional Development Agencies) and Government Offices, LEPs are a new spatial fix, situated sub-nationally between national and local level, and created to enable local leaders to drive economic prosperity (Cable and Pickles, 2010, HM Treasury, 2010). They are expected to be private sector led, demonstrate firm local political support and deliver ‘added value’. The exact role of the 28 successful LEPs is open to local determination, and as yet they have no direct funding or legislative basis, but they are being seen as the primary governance arrangement for economic and social development at sub-national level. They are encouraged to bid for funds from the £1.5b regional growth fund but have been informed that their bids will not receive any preference over bids received from other agencies or constellation of agencies. Leaders therefore have to develop LEP strategies within a context of shrinking public finances and a global economic downturn, and are expected to lever in private finance to achieve these. Urban Regime Theory is the most dominant theoretical approach focusing on political/power relationships in cities to explain the co-ordination of multiple actors (stakeholders) (Mossberger, 2009), it helps to explain how local actors constrained by their environments are capable of re-shaping the environment through cross-sectoral arrangements (Davies and Imbroscio, 2009) and how these governance arrangements are embodied within the actions of a governing coalition, or informal yet relatively stable group with access to institutional resources can have a sustained role in decision making (Stone, 1993) The global economic downturn and financial constraints are creating major problems for leaders, such as those working in partnerships at sub-regional level, including LEPs, to to

transform their localities and many environmental influences and concerns are forcing leaders to rethink their strategies. It is desirable to investigate how the different stakeholders who are members of 28 LEP Boards (Local Authority, Business and Auxiliary Leaders) have been able to influence, if at all, the strategies that LEPs are pursuing, and examine the relationships between powerful (or less powerful) actors in this domain. Stakeholder Theory is a useful way of illuminating these inter-connections, as it can be used as either descriptive/empirical, instrumental or normatively (Donaldson and Preston, 1995). Descriptively, it will help to examine what the purpose of a LEP is, allow an examination of the constellation of cooperative and competitive interests possessing intrinsic value, but it is also instrumental in enabling a framework for analysis of the connections between the stakeholders as they seek to achieve performance goals. Normatively, stakeholder theory can assist in showing how things ought to be done. This paper uses both URT and ST to map the arena of the 28 LEPs to examine the inter-connections between a variety of local authority, business and auxiliary leaders and further understand the following elements of their activities and external constraints: Purpose Spatial level Legal Basis Composition Leadership Governance Objectives Activities Resources/Assets Performance Management Accountability Symbolic/Project realisation.

Gateway J1

LAND MARKET AND URBAN DEVELOPMENT IN RUSSIA

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LAND MARKET AND URBAN DEVELOPMENT IN RUSSIA Leonid Limonov, Leontief Centre, St Petersburg, Russia. In Soviet period absence of market prices led to extremely inefficient land use and spatial development of cities. Centralized planning system was not flexible and responsive to changing demand, preoccupied with minimization of construction costs and characterized by very low density of land use. In 20 years after the beginning of market economic reforms and mass privatization of real property the situation in land use and spatial development of Russian cities didn't change much. Main reasons of this are: unclear, non-specified and often not registered property rights; quasi-monopoly of the state on urban lands; absence of clear distinction between federal, regional and municipal lands; high transaction costs and administrative barriers for developers; still very much administrative approach to planning and land use regulation, absence of real dialog with community development groups and NGOs. In this legal and institutional environment regional and/or local authorities often act in interests of big and influential investors and developers, sacrificing interests of community as well as of small private owners and tenants. As a result we can see a further worsening of the urban environment, decreasing of green areas, disappearance of historical character of whole parts of city centers, sprawl developments in suburbia etc. To measure transaction costs and administrative risks in urban development and construction, a survey of developers, builders and real estate agents was undertaken in St Petersburg in 2009-2010, the results of which are presented in the paper. Main conclusions of the research are as following: 1. Essential positive outcomes of market economic reforms: -the marked development of the commercial property; -the marked growth of private investments to housing construction; -creation of property market infrastructure, such as adoption of essential laws (Land Code, Planning Code, Housing Code), creation of basic state and public institutions, responsible for operation and development of property market, adoption of strategic plans by many cities and regions; - the growing diversity of the environment; -intensive use of vacant sites. To negative shifts one may attribute: - grave problem with urban lands subdivision: performed at present low-quality subdivision hampers owners' activity and lessens the property value; unaccomplished subdivision severely hampers urban development; -worsening situation with city traffic circulation; very grave problem with parking both in streets and within blocks; - excessive density in some blocks at the expense of green areas, parking lots, sport facilities etc.; -the typical delay with the development of all public infrastructures; -at last - many homeless citizens, appeared mostly due to market reforms; On account of property market development trends in Russia as well as estimations issued by market participants during the survey, one may state some considerations regarding opportunities on property market improvement. The most important factors of land market and therefore property market development are such provided by governmental plans and programs arrangements, as the land property delimitation between Federation, regions and municipalities, as well as forced land subdivision and removal of land privatization obstacles. The essential encumbrance for privatization of land, commercial and manufacturing property, is, no doubts, the monopoly of large market participants, maintaining close contacts with state and municipal bodies, as well as inherent corruption. No doubts, country authorities' actions to a greater or lesser degree will lower levels of monopolization and corruption, but for a stable success it is necessary to gain support of business associations, first of all of small and medium business,

and to monitor changes. It is important, that due to multitude of laws, bylaws and continuous amendments to most of them, neither market actors, nor judiciary system do not keep in pace with such a lawmaking. In this regard it is important to supply the maximal accuracy of prescriptions, stipulating the domain of competence and bureaucrats' responsibilities, the order of interactions with applicants and stimulus to anticorruption motives. It is important to inspire steps, directed to rehabilitation or demolition of the housing stock in emergency conditions and substandard stock, as well as to construction at cities' outskirts of low-rise housing, reasonable priced. Concerning strategic planning, it makes sense to find leverage over cooperation of neighboring regions, regarding elaboration of joint strategic plans, permitting to fall back administrative barriers between territories and to take more effective decisions, including ones on the future of monofunctional cities. No doubts, Russian land market relations had not the best kind of the past. But the country has no other recourse but to continue ongoing actions, targeted to citizens interests: extension of choice, activity increase, mitigation of risks and losses. This may happen with further development of the local self-government and the civil society (community development groups and other NGOs interested in protection of urban environment and quality of life).

Gateway B

THE GEOGRAPHICAL DISTRIBUTION OF UNEMPLOYMENT AT LOCALITIES DESEGREGATION LEVEL CASE STUDY FOR SOUTH MUNTENIA REGION - ROMANIA

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The recent 'The fifth Cohesion Report' stress the strategic perspective of the new cohesion policy, expressed by the 'added territorial cohesion to the twin goals of economic and social cohesion'. The expected contribution of the cohesion policy is strongly linked with passing over the crises, reducing the disparities and fulfilling the ambitious objectives of the Europe 2020 Strategy. Unemployment represents the reverse of the medal, a concept and a measure at the intersection of many dimensions. If 'traditionally' its history is concurrent with free market/market economy functioning out of full employment mode, expressing socio-economic phenomenon, complex and with a large spectrum of interpretations. The spatial dimension of the unemployment is treated relatively recently by new regional theories, focused on its: geographical/spatial concentration [Alonso-Villar O. and Del R o C (2008)], agglomeration, returns and spatial unemployment disparities [Suedekum J. (2004)] with aspects of dynamic [Martin R. (1997)], persistence, factors, regional policy rethinking [Chisholm M. (1976)], convergence/divergence of regional disparities [Marshall (1920), Krugman (1991) and Krugman/Venables (1995)], etc]. Overman and Puga (2002) bring empirical evidences regarding the spatial effects of 'Unemployment clusters across European regions and countries'. Following Niebuhr idea, measuring the spatial autocorrelation, 'regions marked by high unemployment as well as areas characterised by low unemployment tend to cluster in space' [Niebuhr, 2005] we try to analyse the case of intra-regional unemployment disparities at the region level (NUTS2 level - in the case of Regiunea Sud Muntenia) using the finest disaggregated level possible for data - the localities. The interest to measure the intraregional unemployment clusters is based on [Goschin, Roman, Ileanu, 2008] characteristic of the current state and dynamics of regional disparities in Romania described as 'low amplitude of both inter-regional and intra-regional disparities', with the nuance that, 'the intra-regional disparities are much higher than the inter-regional disparities.' Next to agglomeration and persistence of unemployment in some specific areas, the crises period and its persistence in 2009-2010, accentuated the European tendency of increasing the 'regional disparities' . In Romania, view to adapt to the crise pressure since 2010 started an massive proces of budgetry sector restructuring, folowed by important exists from employment to unemployment. This significant number of persons without a job relatively suddent increase the pressure over the labour market insitutions and diminish the dynamics of the labour market (induced by the limited occupational mobility) and acts as an shoc (intens and or long time pressure probability) very difficult to be compensated in time by policies. The variables are built with one set of reference data and one set of working data, all for the characteristics: age 18-62 years (total, feminin and masculin (calculated). The reference data is furnished by National Statistics Institute INS demographic data, respectively the number of the stable population registered in the locality considered as contant through analysis period. The working data is furnished by the ANOFM/AJOFM (National Employment Agency) and covers 567 localities from the total of 2121 localities from Region Sud Muntenia, including the number of registered unemployed people under the administrative definiton (unemployed people with indemnisation and without indemnisation), for the characteristic total, female and males (calculated). The secondary working data set is represented by the share of the unemployed people as a proxy for the unemployment rate. Using the administrative data there are some

disadvantages and advantages. Some limits of this method induced by the indicators source: reduced comparability, national unemployment definition, the statistical quality of data, the interval of 18-62 years represent the functional age for entrance and exist in and out the labour market in Romania. We consider very important to emphasis the advantages of this approach especially in the cohesion policy future development, like: the data are public, covers the finest regional level (localities, over LAU /2, 3174), are furnished with the best frequency among the labour market indicators - monthly frequency, are the main indicators used in the labour protection policy implementation, etc. Another very important advantage is the perspective of using the flux data (entrance and exits in unemployment at the localities level) next to the stoc data we used in our model. The method used is Anselin, 2005 / Varga, 2009 , analysing the Local Spatial Autocorrelations characteristics, to identify the clusters HH, LL with different significance level, for the unemployment and the share of unemployment in the stable population for the mentioned characteristics (total, feminine, masculine, age 18-62 years, at locality level), for December 2009 compared with March 2010, at locality level using Arc GIS 9.3. (Arc GIS Catalog and Arc MAP) . Spatial econometrics through the GeoDa software was applied under the hypothesis that localities represent the centres of the Thiessen polygons, using rook contiguity weight file. Results are presented through maps and tables indicated the localities situated in the HH and LL clusters.

Gateway A

WHY DOES THE CONCERN ABOUT THE ENVIRONMENT DIFFER AMONG CITIES AND REGIONS? SOME CONCEPTUAL CONSIDERATIONS

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According to chapter 28 of Agenda 21, adopted at the UN conference in Rio de Janeiro in 1992, local authorities are expected to promote sustainable development. This paper asks which factors influence the degree to which the environmental dimension of sustainable development is addressed by local governments. The conceptual analysis is based on actor-centered institutionalism (Scharpf 1997), as well as the approaches of capacity for environmental policy (Jänicke 2002) and environmental policy integration (Nilsson 2005, Jordan and Lenschow 2008). In general the logic of rational environmental decision-making involves two aspects. Firstly, alternative combinations of environmental qualities and economic activity must be found which are as efficient as possible. The combinations depend mainly on variations of quantity, technology, and spatial distribution of production and consumption. Secondly, one of the options has to be chosen on the basis of preferences and values which means by comparing costs and benefits of the alternatives. From this perspective (with other things the same) cities can be particularly “green” because they are particularly able to create cost-efficient solutions and/or show particular pro-green values. In reality policy decisions are made and influenced by a broad range of actors each with their own interests and perception of things. The actors pursue strategies to achieve their goals within a complex institutional framework. It determines the actor’s scope of action and encompasses cultural, moral and constitutional norms as well as a multi-level and multi-sectoral politico-administrative system. Several modes of interaction are involved such as negotiated agreements between actors owning at least a certain degree of autonomy, majority vote (e.g. by the electorate), and hierarchical direction. Thereby the modes of interaction depend on the given institutional settings such as networks, representative assemblies (e.g. local parliament) and organisations (e.g. administration). Normally, information on efficient policy alternatives is costly and uncertainty is often unavoidable. How much knowledge can be acquired is influenced by the economic conditions which also have an indirect influence on the valuation of environmental qualities. As a rule there is a conflict of interests between the proponents and opponents of environmental measures which often is mirrored in the sectoral units of government and administration (policy silos). The difficulty of finding good solutions and the constellation of actors in terms of actors’ interdependencies are very much influenced by the characteristics of the environmental problem. Lastly, the prevailing knowledge of, and the general attitude towards, the environment and environment-related justice can be shaped by public discourse which in turn can be influenced by environment-related events and discussions elsewhere. In today’s policy-making, negotiations play an increasing role in line with the shift “from government to governance”. Unfortunately, effective problem solving amongst proponents and opponents of environmental measures is difficult because conflicts of interest often stand in the way (negotiator’s dilemma). This paper addresses the factors of the green orientation of local policies. One aspect is highlighted regarding the characteristics of the environmental problem: Given local or regional costs, do the perceived benefits of environmental measures remain within the city or region or do they go beyond? Here the analysis involves fundamental moral considerations.

WHAT ARE THE DETERMINANTS OF COMPANIES' CLUSTER AWARENESS?

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In the paper we scrutinise companies in a cluster region. Only the fact of being located in an economic space with cluster features does not necessarily imply that firms are aware of the respective structures in their surroundings, which also means that they might not use the benefits coming from the regional strengths and cluster-related options to full extent. We analyse the characteristics and activities of establishments that display 'cluster awareness' – companies that see themselves as members of a cluster. This is used as an indicator how much the companies know about the existing structures and if they have an interest in these offers. The Nuremberg region (Germany) serves as case study. It has a history in implementing an intra-regionally coordinated cluster policy since the late 1990s. During this period, cluster management initiatives were started and are active in six fields. In 2006 and 2007 we carried out a research project – independent of the cluster management initiatives – that focused on the identification, analysis, characterisation and visualisation of clusters in this economic space. The questionnaire included sections concerning the regional embeddedness of establishments. Our bottom-up methodology is based on (1) semi-structured interviews with experts from institutions and companies, and (2) a written survey of companies in the Nuremberg region (feedback: N=888). We used a dataset that included all establishments in the region and we sampled all those that could possibly be part of any clusters or regional value chains with cluster potential. On this basis we identified eight value chains with cluster features. For each field we looked at its concentration in space, potential for labour market pooling, existence of 'flagpole companies' and the presence of supporting institutions and network activities. Surely our results trace the six managed clusters in the Nuremberg region and follow their outlines. But to some extent, our research leads to different and additional subclusters and we also identified two more potential clusters. Distilling the essence out of a range of cluster definitions shows that geographical proximity, cooperation activities, specialised suppliers, critical customers and other interlinkages between regional partners that ease knowledge spillovers are seen as constituting elements of clusters. In our study we take the opposite perspective and check – with a binary logistic regression – whether establishments that are regionally embedded are really displaying 'cluster awareness'. We expect that firms that have many intra-regional cooperation activities with different partners (other companies, universities, research institutions, municipalities, initiatives/ networks and chambers of industry and commerce/ chambers of crafts) also consider themselves as active or potential part of the regional clusters. And if the most important customers and suppliers are based in the same economic space this should also raise the propensity to be aware of the regional cluster structures. In addition we check what factors and sources of information are seen as vital to start cooperation projects. Our hypothesis is that companies that are characterized by a firm culture of openness consider existing business contacts, recommendations by others, potential partners' presence in the region and their good reputation as important are also making efforts to get informed about the regional structures and initiatives. Our estimation model also contains company characteristics like firm size and firm age, if it is located in a city or in rural areas, if it is part of the manufacturing or the service sector and if it is innovative. The absorptive capacity is included via the share of highly qualified personnel and if the establishment is endowed with an own R&D department. Our overall results for the Nuremberg region show that indeed cooperation activities with other companies and networks and initiatives have a positive effect on the propensity to be cluster aware, but they show no significant effect of cooperations with the other partners. For regional economic policy this indicates a possibility to enhance the transparency of the region, convince companies to develop their firm culture towards openness for cooperation and to get even more companies involved in regional clusters.

LEISURE, CULTURE AND EXPERIENCE ECONOMY IN THE PERIPHERY. DOES NORTHERN JUTLAND BENEFIT FROM THE EXPERIENCE ECONOMY?

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Experiences have been connected with economy due to a growing leisure demand in the western world. Many people today give high priority to their leisure time, and as a consequence they are assumed to stress the existence of amenities close to their place of residence. Quality of place is a factor which is thought of as

playing a considerable role in the decisions people make on where to settle, and this is the reason why quality of place, is seen as strategically as lever of demographic and economic development of local economies. Amenities, as related to quality of place, include among other things attractive natural environments as well as urban qualities, supply of culture and facilities for leisure activities. Earlier works on experience economy and place has developed the hypothesis, that experience economy may function as a lever of growth for peripheral regions, due to an assumed decentralised pattern of location and consumption (Lorentzen, 2009). Others qualify this by pointing at the diversified pattern of leisure offerings depending on their profile (centrality/specialisation) vs. their ubiquity, at least in a Danish context, where leisure offerings are part of 'modern welfare' (region midtjylland, 2008, Smidt-Jensen and Lorentzen 2010). The question, which this paper discusses is the extend to which peripheral regions are actually able to develop based on amenities or in other words based on place-bound experience economic offerings? The question can be divided in two, namely to what extent the periphery is able to develop experience economy offerings, and secondly, what implications these offerings have for demographic and broader economic growth? The paper discusses this question based on empirical statistical evidence of the industrial and demographic development of Northern Jutland, a peripheral region of Denmark. Not only is this region located in considerable distance to the Danish core, it is also characterised by internal centre-periphery relations centered around the regional capital of Aalborg. This enables a regional as well as a subregional analysis of the extent, composition and dynamic of the experience economy of the periphery, and the role it plays for peoples' choice of residence and for the development of a broader industrial development. The paper draws on a report from 2009 (Lorentzen and Krogh, 2009), and it inscribes itself in an ongoing discussion questioning critically the role of amenities in development, as represented by Smidt-Jensen, Skytt & Winther 2009 and Hansen and Niedomysl, 2009 among others.

Gateway D1

CONNECTING A PERIPHERAL REGION TO THE CENTER: EX ANTE FORECASTS, PERCEPTIONS AND EX POST EFFECTS OF THE WESTERSCHELDE TUNNEL

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The effects of transport infrastructure on spatial structure have long been the subject of scientific debate. An issue in this debate is whether the construction of new infrastructure between core and peripheral regions induces economic benefits in these regions or not. Most of the studies that assess these benefits are ex ante forecasts. Far less ex post studies are known (Pugh & Fairburn, 2008). Also there is some evidence that most forecasts are too positive (Flyvbjerg, et al., 2003). In this paper we analyse both ex ante forecasts and ex post development of the Westerschelde Tunnel in the Netherlands. This tunnel is situated in the south-west of the Netherlands and connects the rather peripheral Zeeuws-Vlaanderen region with the rest of the Netherlands. Zeeuws-Vlaanderen is separated from the rest of the Netherlands by the estuary of the river Schelde and has no overland connection with the Netherlands. There is only an overland connection via Belgium. The tunnel was opened in 2003 and replaced two car-ferry services that provided connections quite distant from the new route chosen for the tunnel. In our analyses we concentrate on the intra-regional economic development on both sides of the Schelde estuary. This is in contrast to many other studies that focus on spatial effects on a larger scale. We do this because the tunnel was built solely to enhance intra-regional accessibility, not national or international accessibility (which becomes apparent also in the lack of quality of onward connections from the tunnel to Belgium). Our analysis starts with a brief literature review in which we explain the mayor (regional economic) theories addressing the effects of new infrastructure development. Then we give an overview of the ex ante forecasts on the development of the employment in the region and assess which of the theories is used by the forecasts. Subsequently these forecasts are compared with the actual development in the period since 1996, and specifically since the year the tunnel opened up for traffic (2003). It is concluded that the forecasts were too optimistic in terms of employment growth in Zeeuws-Vlaanderen. However, the number of commuters to Zeeuws-Vlaanderen increased significantly (and far above regional average), which indicates that the once relatively isolated labour market has now integrated in a larger regional labour market. The other line of research is a comparison of ex post and ex ante surveys among firms on both sides of the Schelde estuary. The region Chamber of Commerce performed several surveys just before and after the opening of the tunnel in which firms were asked about their stated and revealed expectations of the tunnel effects. In 2010 we conducted another survey among firms in the region to analyse the impact of the tunnel on their business. It was found that

firms overestimated the effects of the tunnel on their business, particularly the negative effects of the abolition of the car-ferries. The results of the 2010 survey also seem to suggest that the effect on the forward linkages of firms is stronger than the effect on their backward linkages. More generally, it was found that redistributive effects were much more prominent rather than generative effects. We conclude with some theoretical reflections on the gap between forecast, perceptions and ex post effects.

Gateway B

STRUCTURAL CHANGE AND REGIONAL DISPARITIES IN (UN)EMPLOYMENT

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One key issue in economics is the explanation of unemployment. “Modern mainstream macroeconomics” frequently refers to institutional structures in the individual countries (e.g. Layard, Nickell & Jackman 1991, 2006; Carlin & Soskice 2006). However, unemployment within states varies as much as between. In Germany, for example, there are regions in which even during the crisis virtual full employment prevails (e.g. Munich Area) and others which face a deep labour market crisis for a long time (e.g. Ruhr Area). Within a country, however, there are only minor differences in the institutions. Therefore the large variation in regional unemployment is puzzling. Our alternative explanation of unemployment builds on structural change, the industry life cycle and technical progress. Depending on the life cycle phase of the respective industries technical progress has different effects on employment and thus on unemployment. Increased productivity allows producing a given quantity with less labour. This is also known as the displacement effect of technical progress. However, the reduction in costs as a result of technical progress leads to a drop in price. This in turn increases demand for the particular product and therefore also demand for workers who are employed in production. A compensation effect occurs. In the early stages of the industry life cycle product demand is elastic and increases in productivity result in employment growth. Across subsequent life cycle stages demand becomes inelastic and productivity increases lead to a reduction in employment. How strong the compensating effect is and whether it may even “overcompensate” depends strongly on the price elasticity of demand and therefore on the industry life cycle. Industries are usually regionally concentrated and regions are specialised on specific industries (Krugman 1991, Möller, Tassinopoulos 2000). The development of a region dominated by a specific industry depends strongly on the life cycle of this industry. The region falls into crisis when the main product of the respective industry reaches a phase of saturation with inelastic demand. Thus the mechanism of product life cycle, price elasticity and technical progress leads through the specialisation of regional economies to different spatial development paths. This reasoning is not new. We attempt to improve the existing approaches by integrating the labour market into the formal model and thus make unemployment endogenous. The mechanism of product life cycle, price elasticity and technical progress leads to different development path for different industries explaining also structural change. The mechanism is modelled formally in our paper building on previous work of others. We show that a transition from the elastic into the inelastic range of the demand function for the most important product can already suffice to plunge an industry into (a labour market) crisis which in turn might drag down (regional) it dominates. Empirical tests of the model are performed using industry level time series data on output, prices, national income for Germany provided by the Federal Statistical Office. We estimate Marshallian type demand functions to derive the price elasticities for different industries. In a second step these elasticities and the regional industry structure are used to explain regional (un)employment. In this second step we use regional employment data of the Federal Employment Agency and additional regional information from various sources.

NEW MIGRATION DESTINATIONS AND AGGLOMERATION ECONOMIES IN THE UNITED STATES. A NEW ECONOMIC GEOGRAPHY APPROACH

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The studies of migration, from an economic perspective, typically explain that migration destinations rely on essentially wage differentials between origin and destination areas (Sjaastad 1962; Harris-Todaro 1970; Katz-Stark 1986; Lauby-Stark 1988; Massey, et. al. 1993; Borjas 1987 and 2000; Grogger-Hanson 2008). However, under these approaches wages are in somewhat given because in their modeling strategies do not take directly into account the economic forces that determine wage differentials and labor mobility. From a regional perspective, migration theory must consider that wage differentials across regions are explained by uneven geography of the labour market structures. In this research we rely on the use of agglomeration economies to uncover the economic forces that determine the dynamic process of migration across regions. From an economic-geographical perspective the agglomeration of economic activity is result of two 'natures' (Cronon 1991): the distribution of natural resources which is exogenous (first nature) and, human being activity that modify first nature endogenously (i.e. second nature). Under this perspective, migration due to job seeking can be explained by the second nature as a result of external economies which are distinguished in two types: urbanization and localization economies (Graham 2007; Brackman, et. al. 2009). In this research, we rely on the mentioned theoretical approach to study the formation of new migration destinations that United States has experimented in recent decades. In the recent migration to US has emerged an interesting feature that consists in a change of the pattern mobility of foreign-born populations in where immigrants have change their traditional state destinations for 'new growth states' ones (Passel y Suro 2005). For the case of Mexican migrants, it has been documented that they exhibit geographical diversification in their destinations including not only traditional settlements but also new ones. Duran, Massey and Capoferro (2005) argue for the consolidation of new migration destinations because of a mix of economic and political factors: 1) dramatic increasing costs and risks of crossing the border near to San Diego, 2) deterioration of the economy of California and its respective anti-immigrant policy, 3) recognition of free mobility of undocumented migrants based on the IRCA program, and 4) strong labor demands across the country. In this paper, we study new migration destinations in the USA through migration Latino flows between counties. The theoretical perspective used is the New Economic Geography (Fujita-Thisse, 2002), based on localization economies, that offers an explanation of these regional forces (that attract or repulse firms and workers) through modeling agglomeration and congestion economies. Our central hypothesis is that new migration destinations must exhibit spatial concentration because agglomeration and congestion economic forces are playing an important causal role in the economic performance of these regions. In particular, we consider a NEG inspired model proposed by Crozet (2004) to study new migration destinations in the USA. One important advantage of this approach is that makes the spatial (geographical) dimension, contained in the wage differentials across labor markets, explicit in the modeling of migration flows. Our study focuses in the Hispanic migration at county level. Firstly, and in order to show that the new migration destinations have a spatial (geographical) feature, we perform a conventionally Exploratory Spatial Data Analysis (ESDA) of the new destinations at county level during the period 1980-2007. Secondly, we propose a spatial econometric implementation of the core-periphery model of Crozet (2004) to show the importance of market access effect in the new migration destinations. The main results of the research show that the new migration destinations in the USA during the period 1990-2000 can be explained by the emergence of new economies of agglomeration in these regions. In contrast, during the period 2000-2007, we detect dispersal forces in the new migration destinations which suggests that during the period 1990-2000, the impact of market-access effect on the attraction of migration was relatively high compared to the periods of dispersal (1980-1990 in the old or traditional places and 2000-2007 in the migration destinations). Furthermore, we provide evidence of contagion-diffusion effects on migration dynamics (at county level) which suggests that no-pecuniary externalities also can be explanatory factors to attract migrants in the new destinations.

BUSINESS R&D AND PATH DEPENDENCE: EXPLAINING FINLAND AND SWEDEN'S PERFORMANCE, 1981-PRESENT

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Business Expenditure on R&D (BERD) is recognised as being the most economically important form of R&D. The EU's Lisbon Agenda set a target for its members of R&D spending of 3% of total GDP, of which two thirds should be BERD by 2010. Most EU countries failed to reach these targets with two notable exceptions – Finland and Sweden. The successor policy, Europe 2020 has set the same target, meaning there is renewed interest in achieving this for EU member countries and regions, particularly in peripheral regions such as Wales and Northern Ireland, as well as member states such as the Czech Republic, Spain, France and Lithuania. Both Finland and Sweden currently possess BERD levels that are approaching the 3% of GDP target for overall R&D spending, putting them significantly ahead of many, much larger, equally technologically advanced and less peripheral countries. In fact, the two possess the second and third highest levels of BERD as a percentage of GDP in the OECD behind Israel. It is only since the early 1990s that both countries have started to perform better in such measures however. The paper is structured in the following way: part one looks at the data on BERD statistics amongst Finland and Sweden and comparator countries and part two at the historical context in which various institutional and policy changes occurred and how they affected the gains made. The paper is based on both the OECD Main Science and Technology Indicators (MSTI) and the OECD Education at a Glance databases, oral testimonies with key actors in the Finnish and Swedish innovation and education systems, governmental reports and analysis of secondary literature. 1981 has been chosen as the start date for the analysis as it is the first year of available consistent data for in the OECD MSTI database. The OECD MSTI database was used for its coverage of the major developed and technologically advanced Western economies, demonstrating that Finnish and Swedish success can be considered in relation to more than just their immediate European neighbours and is in fact comparable globally. Institutional changes in the business, education and policy environments over the last 30 years in both countries contributed to this growth and offer important policy lessons for countries seeking to improve their own BERD levels in order to meet the EU targets, as well as developing the knowledge economy. Examples of the changes in Finland and Sweden include the early support of the telecommunications industry, the placement of technology at the centre of economic development through the disbanding of investment agencies in favour of technology agencies, improvement in educational attainment amongst the respective populations and direct financial support for R&D activities. These changes comprised a form of path dependence for encouraging private sector investment in R&D in both countries, resulting in excellent growth rates of BERD that have pushed Finland and Sweden towards the forefront of global BERD spending. In Sweden the post-war policy of creating and supporting 'development couples' of strategically important companies and a similar approach in Finland between the government and Nokia and Finnish paper companies, resulted in the development of a relatively impressive number of R&D focused global multinationals in both countries. They operate within high-tech sectors that require significant investment in R&D in order to remain competitive and innovative within global markets. This paper posits that their success comes from their close collaboration with and the support of government through direct funding of R&D over the years, investment in the absorptive capacity of the nation through improvements in the educational levels of the population and the creation of national technology agencies tasked with the long-term strategic planning and investment in the national innovation system which are inured against short-term political expediency. At present the literature on BERD has tended to focus on quantitative analysis of its effect on economic growth and productivity, and more recently the efficacy of using tax credits to support increases in BERD. This paper instead looks at the institutional and policy changes that took place in two of the most successful countries in BERD terms where R&D tax credits played no role in achieving this, offering wider, yet practicable, lessons for policymakers in peripheral regions as well as an enhanced understanding of the importance of history in determining Finnish and Swedish success.

REMAKING CITY-REGIONAL LANDSCAPES, RECONFIGURING METROPOLITAN GOVERNANCE AND TERRITORIAL POLITICS**Gordon MacLeod, Durham University, UK**

In acknowledging that analysis of metropolitan governance and territorial politics behoves an appreciation of how new settlement patterns unfold (Phelps and Wood, 2011), we can interpret the early twenty-first century city-region to be witnessing far-reaching transformations in its economic, social and political ecology. Across the global north and south, a rapidly urbanizing but radically uneven landscape is reflected in several trends: a design-intensive fashioning of midtown centres, a proliferation of mega-projects of iconic development and infrastructures, and a punctuation of metropolitan space with smart growth zones, enclave condominiums and suburban privatized master-planned communities. A forensic analysis of these landscape conversions would also reveal a seemingly perplexing myriad of governances and novel expressions of territorial politics: downtown fiscal micropolises exemplified by the Business Improvement District; minima 'shadow governments' for post-suburban edge cities, boomburbs and mega-malls; a related eruption of localist homeowner associations to orchestrate the de-collectivized service provision and infrastructure requirements within territorialized gated communities; a geopolitics of infrastructure orchestrated around special development agencies and secessionary spaces designed to customize provision; an assembling of political spaces 'in-between' urban heartland and suburban hinterland; oligarchic urban-regional policy 'assemblages' often sequestered from the formal channels of politics democracy; and an astonishing proliferation of informality as a mode of urbanization in the global south. The cumulative effect of this metropolitan splintering may be over-extending established interpretations of city-regional governance and territorial politics. The paper draws on perspectives within critical planning alongside writings on a post-democratic city (Swyngedouw, 2011) to confront non-trivial questions about the precise manner in which governance, policy and politics are being negotiated across metropolitan regions, from downtown streetscape to suburban doorstep.

COMPLEX INNOVATION POLICY SYSTEMS: TOWARDS A HOLISTIC EVALUATION**Eduarne Magro, Orkestra-University Of Deusto, SPAIN**

Innovation policy has undergone a fundamental evolution during recent years. This is related to the relatively newly-acknowledged centrality of innovation for territorial competitiveness, alongside recognition that innovation is in fact a systemic rather than linear process. In response policy rationales have evolved, from predominantly neoclassical approaches to evolutionary-systemic frameworks (Laranja et al., 2008). This has resulted in a large increase in policy complexity, whereby in practice it is common for a mix of innovation policies to exist within the same region, based on different rationales, employing different instruments, and operating to different timescales. The origins of the policy mix concept can be found in monetary policy as well as in environmental policy, and in recent years this concept has been translated to innovation policies (Flanagan et al., 2010). This is particularly complex as the innovation policy mix can include several different policies with quite different underlying rationales and instruments (for example from framework policies to targeted policies, or from resource-based science and technology policies to networking policies). Consequently, there is no common understanding of how the policy mix concept should be understood and applied with regards innovation policies, which results in a certain 'fuzziness' in its use. Most analysis employing the policy mix concept has thus far focused at the national or European levels (Nauwelaers et al., 2009; OECD, 2010). However regions are particularly interesting units in which policy mixes from different administrative levels in fact impact; what Uyarra & Flanagan (2009) refer to as 'policy spaces'. Taking the region as a unit of analysis, there is therefore a complex system of European, national, regional and sub-regional innovation policies that have impacts on any given region. In this paper we define the concept of policy system as a combination of policies impacting on a given space from multiple administrative levels. This implies that policies are continually interacting with one another, generating outcomes as a result of these interactions that do not necessarily correspond neatly with the stated aims of individual policies, and are indeed potentially greater than the sum of their individual impacts. This scenario significantly complicates the evaluation of innovation policies, if they are to accurately capture these interactive impacts. However there is not yet sufficient

understanding of how policies interact in complex, multilevel policy systems, and less so of how their respective evaluation processes (should) interact. In particular, a more holistic evaluation is required to adapt to the reality of policy systems. This paper makes a conceptual contribution by defining and specifying the concept of policy system, and from this basis arguing for the need for an appropriate, holistic policy evaluation mix. This is particularly important at regional level, where there are a multitude of innovation policies from different administrative levels that exhibit potential complementarities and contradictions in their impacts in the region. These ideas are then illustrated in the paper with application to a specific regional case. We specify the innovation policy system corresponding to the Basque Country region in Spain, identifying four distinct levels of policy. From a characterisation of this system we propose a series of considerations for evaluating policy systems, which sets out an agenda for future research.

Gateway D3

SHAPING INTERVENTIONS FOR SUSTAINABLE RURAL DEVELOPMENT

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John McDonagh, National University Of Ireland Galway, IRELAND

The focus of this paper is on exploring the capacities for innovation and sustainable development in rural localities, and the role played by EU and national policies and funding programmes in supporting this. The paper draws on research being conducted as part of the FP7 DERREG project (Developing Rural Regions in an Era of Globalisation), with particular focus on the west of Ireland. Initial evidence emerging from the research suggests that current policy direction and associated funding provisions, whilst essential to the success of local initiatives, can also lead to a range of unintended consequences that have the effect of diluting the core development focus and dynamic because specific local contexts fail to be taken into account. It reveals the importance of local formal and informal networks of interaction and information exchange which seek to navigate and negotiate the existing institutional framework for rural development support, which remains essentially top down and without any meaningful regional interface, and which in turn delivers a reduced level of local progress and holds back local potential. Drawing on conceptualisations of globalisation as a set of processes that are relational in nature, and by implication highly context-specific, this paper highlights the significance of policy and funding interventions which are flexible and which acknowledge rural localities as specific sites through which globalization must be negotiated and contested across a range of dimensions and scales.

Gateway C

POVERTY IN OAXACA: A DIFFICULT PROBLEM

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INTRODUCTION Poverty constitutes one of the biggest problems of Mexican society, given the unequal distribution of economic growth in the national territory as well as the unequal distribution of income, with generation of: poor health, lack of basic skills, lack access to basic services, insufficient income to live in dignity, vulnerability and ultimately, social exclusion. In the year 2000, the three states with a high percentage of poor population are located in the South Region of Mexican Republic, they are: Oaxaca, Chiapas and Guerrero; these entities, presents more acutely the challenge of tackling poverty and backwardness in public services through of development strategies urban - regional. According to the CONEVAL, in 2005, 38.1% of the total population was within the food poverty line, higher than the national average was 18.2%, ranking third, below Chiapas and Guerrero, 47% and 42% respectively. For 1990 and 1995, disparities were caused by low economic growth, which affects income and people's ability to adequately meet their basic needs, translating this situation in poverty and marginalization. **MATERIALS AND METHODS** The poor are those who are employed in the informal sector, have large families with a larger number of dependents and the household head has little or no schooling. Some poor households are headed by women, others for men: there is no pattern regarding the gender of household head. Children, the elderly, women and young workers about their

vulnerability, are more likely to be poor. Poverty and inequality placed many families in serious difficulties to give their children the childhood they wish, taking a host of situations that affect children significantly limiting the education of children in the formation of positive values and attitudes for life. The object of study, are the regions that make up the state of Oaxaca, in the period 1990 to 2005. Poverty will be evaluated using the method of the Unsatisfied Basic Needs and Poverty Line. The indicators in the Index of Unsatisfied Basic Needs: population 6 to 14 who do not attend school, illiterate population above 15 years; homes without sanitation, without water availability, with a dirt floor and homes with one or two rooms; rural population, and population without access to social security services. Income poverty, is determined for the population with incomes below the poverty line. **RESULTS.** The percentage of economically active population earning less than or equal to the poverty line, one that was considered low poverty levels, increased 11%, the moderately poor in 6% and extreme poverty by 1%, showing this deterioration in income distribution. With unsatisfied basic needs method, the number of municipalities with low poverty and moderate poverty increased in 69 municipalities and 52 respectively, corresponding to the reduction of 121 municipalities in extreme poverty. **DISCUSSION** The reduction of 75% of municipalities with population in extreme poverty, is due to the implementation of social programs that have supported the population to make home improvements, as well as increasing attendance at educational institutions, especially children in rural areas. It is thought that once the benefits of these programs are removed, the poverty will return with greater intensity, which would risk the political and social stability, not only in Oaxaca but in states where there is low population income. As the percentage of economically active population earning less than or equal to the poverty line, percentage of population with low levels of poverty, increased 11%, the moderately poor in 6% and extreme poverty by 1% , demonstrating a general deterioration in income distribution. Remittances sent by migrants to their families have helped to offset the effects of poverty, especially in the communities. However, please note that from anti-immigration policies implemented by the U.S. government, was significantly reduced remittances. In underdeveloped economies, such as the present 99% municipalities of Oaxaca, and unable to generate self-sustaining growth, we need government intervention to stimulate economic growth by supporting private investment. It is necessary to visualize the problem of poverty as lack of capacity to undertake by itself the great challenge of overcoming, for this, we must focus on better education quality and significance to life, to protect the health of the population by improving food, housing and access to medical services. Is important that the poor people change their attitudes, values and expectations through a positive attitude, an ingredient needed to escape poverty. In this regard, the government is in a position to bridge the existing gaps in infrastructure, public and private investment, promote education, controlling population growth, keeping the public budget under control to improve the terms on which is generated the economic growth.

Gateway W2

COMBINATORIAL KNOWLEDGE BASES - EVIDENCE FROM THE EURODITE PROJECT

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A recently introduced taxonomy for classifying and analysing knowledge in the knowledge economy, is the SAS knowledge taxonomy, distinguishing between three epistemologically defined knowledge 'bases': synthetic (engineering), analytical (scientific) and symbolic (artistic) types of knowledge. In recent years, the SAS taxonomy has been adopted in a growing number of empirical analyses on the knowledge and learning dimensions of industrial innovation (Asheim 2007; Asheim and Coenen 2006; Asheim et al. 2007; Martin and Moodysson 2010) Also in the EURODITE project the taxonomy was adopted as one of the conceptual tools in the empirical case studies of innovation processes at firm, sector and regional levels. These EURODITE case studies represent the maybe most comprehensive research material hitherto explicitly using the SAS taxonomy (together with other knowledge concepts). Despite the growing use in research of the SAS knowledge taxonomy, only fragmented and rather superficial discussions seem to exist in the research literature about how the taxonomy as a whole and its three knowledge categories individually are defined and should be applied in research and policy-making. This paper take up the challenge of providing a comprehensive discussion of the theoretical and methodological implications of the SAS taxonomy by reviewing the research literature and presenting selected empirical findings from the EURODITE project. The paper aims at discussing the following questions: •What is the theoretical content and value-added of the SAS taxonomy and its knowledge categories? •What are the methodological implications of applying the taxonomy in research analyses? •What are its implications for policy-making targeted knowledge development? On the basis of empirical findings from

EURODITE case studies of ‘innovation biographies’, the paper concludes that the three SAS knowledge bases are not just ideal-type theoretical constructs but indeed useful for describing different observable, institutionally separate ‘worlds of learning’ with differing rules and conventions regarding purpose of knowledge creation and use and contributing to the innovation processes of firms. However, the EURODITE case studies also indicate that innovation usually involves two or all three SAS knowledge bases and that organisations, carrying out and managing innovation, do not rely on one single SAS knowledge ‘base’ but need to integrate and manage the creation and use of different knowledge bases by coordinating its interactions in different learning contexts. Thus, when used to study knowledge dynamics related to firm-level innovation all three and not just one or two SAS knowledge bases should be analytically applied. The paper finally conclude that the inclusion of the symbolic knowledge category, alongside the scientific and technological knowledge types traditionally focused on in innovation research, is the major value-added of the SAS taxonomy, as it opens opportunities for more integrative research perspectives on the production/supply and consumption/demand sides of innovation.

Gateway C

HETEROGENEOUS ECONOMIC POTENTIALS OF FUNCTIONALLY DIFFERENTIATED REGIONS

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Theories and approaches on regional economic development are characterised by an overwhelming plurality and a missing coherent unifying conceptual framework. Consequently, in politics and applied science regional economic development is often discussed in a simplified manner as judged by the following two criteria. Firstly, regions are conceptualised as separable entities, irrespective of scale and neglecting their potential dependence and interrelatedness. Secondly, the discussion often concentrates on one of the many theoretical concepts at a time. This conceptual reductionism and the treatment of regions as separable entities hinder a clear view on the actual complexity of regional economies. Once this is acknowledged, the plurality of theoretical approaches might be judged as the expression of complex dynamics that questions the adequacy of the paradigms of economic equalization and convergence between regions. Instead, a notion of functional differentiation might be considered, which could be motivated by an analogy to ecological concepts. Such a differentiation could be due to the influence of existing structures on future developments of interrelated regions. Functional differentiation implies sustainable differences in development potentials of such a system’s sub regions. Accordingly, an empirical investigation of the relevance of functional differentiation has to look for the existence of differences in development potentials of regional entities. At the same time, it has to take into account the dependency between regions. With respect to the latter point, in our statistical analysis we apply a multi-level model that allows for the incorporation of a hierarchical relatedness of regions within a nested structure of the random effects. Our lowest regional level consists of about 4000 German municipalities. We cope with the restricted data-availability on this small scale with interacted fixed effects that mirror the hierarchical structure of the random effects. With respect to the goal of isolating differences in regional potentials for economic development, the non-observable character of these potentials poses great difficulties. We cope with this problem by a way of indirect inference based on theoretically motivated expectations of heterogeneous effects. This technique of indirect inference rests on the fact that the theoretical relations between such indicators like out-commuters or municipal rates on the one hand and the municipalities’ prosperity on the other is ambiguous. A higher share of out-commuters for example, should reduce a community’s jobless as its direct effect. In the indirect interpretation, though, out-commuters might be an indicator for a community’s inability to realise its unobserved potential for job-creation. In this case, the gross impact of out-commuters on joblessness might be less negative. We model possible heterogeneous effects of the ambiguous indicators by the introduction of interaction effects and test them in nested models with the likelihood-ratio test. The results confirm the expected differences in the estimated coefficients. Different signs and magnitudes in the relation between the ambiguous indicators and the exogenous variables joblessness and local business-tax revenues show that different regions have different potentials for economic growth. These differences depend on the remoteness and the industry-structure of the regions as well as on the urban character of the municipalities and on unobserved characteristics that cause agglomeration effects. Taken together, the results draw the picture of a complex multi-layered structure of functionally differentiated regions on different scales of observation. Analyses that compare the economic development of different regions as well as plans for policy-interventions have to consider such patterns. The results shed some doubt on policies that treat regions as separate entities, each with the theoretic ability for endogenously created sustainable growth. The observed functional differentiation of regions rather

implies that a municipality's position in a larger regional-economic structure largely determines its economic development.

Gateway D1

NEW METHODS OF TRANS-NATIONAL LEARNING AND REGIONAL DEVELOPMENT IN PERIPHERAL AREAS

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Seija Virkkala, University of Vasa, FINLAND

The current economic situation in the European peripheries, with cutbacks in public spending to handle new financial conditions may be met with new policy solutions promoting regional and local development. To enable local and regional innovation of new policies and development strategies, we need a better understanding of how partnerships in regions located in different countries may learn from each other. The traditional point of departure has been comparative analysis. Various forms of comparison and benchmarking, applying indicators or other types of comparative analysis are used by various trans-national, national and regional institutions, agencies and partnerships. Some of these trans-national comparative approaches are fed into 'soft' policy making, such as the Open Method of Coordination (OMC) process in EU, initiated in Lisbon 2000. Closely linked to these efforts have been attempts to identify, document, standardize and disseminate various forms of 'best' or 'good' practices of regional development. In some cases, such as in the Leader program, specific sets of theories and methods (in the case of Leader, bottoms up mobilization) are defining the core rationale and strategy of the program. In other cases, such as the Structural Funds, a variety of approaches is facilitated, such as local mobilization, 'cluster' policies, 'systems of innovation' and others. However, both comparative analysis and standardization of fixed 'best case' practices has limitations. There is a need to move further. The paper takes as a point of departure articles in *Regional Studies* journal on transnational learning and benchmarking by Hassink and Hulz (2010), Huggins (2010) and Wink (2010). This discussion points in the direction of the significance of institutions in the learning process. In this respect, we discuss Nonaka et al, as well as theories of institution building presented by Barbara Czarniawska (2009). Empirically, the paper explores cases of action-research based experiences in promoting learning of good practices between regions, localities and partnerships in different countries. The empirical cases are from the peripheral areas in the northern Europe. The paper is examining firstly the process and characteristics of good practices of local innovation. Secondly, it will discuss how learning from good practices by other localities/ partnerships in other countries is possible. These good practices were looked for, analysed, compared and finally transferred to the other regions of Nordic countries through action-research interventions and other forms of translation. In order to promote learning, short term interventions and projects must be embedded within institutions. The paper discuss (1) what are the conditions of regional institutional learning, (2) how to develop the learning capacity especially in more peripheral regions, and (3) what are different forms of transnational learning in regional development. These experiments to promote innovation in regional development policies are accordingly today followed up through the establishment of the trans - national Bottnia Atlantica Institute at University of Vaasa, Finland in 2011.

Gateway D1

CONTRIBUTING TO A VIBRANT COUNTRYSIDE. THE IMPACT OF SIDE ACTIVITIES ON RURAL DEVELOPMENT

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This article focuses on side activities of non-farmers in rural areas in the Netherlands. A side activity is a type of small-scale home-based activity, which provides a supplementary income at the household level. More specific, this article explores what side activities mean for the development of rural areas. In order to measure that, empirical evidence on side activities concerning their impact on various material and non-material aspects of rural development is examined. We differentiate among three main aspects, namely, economic (e.g. local economy, employment, competition, collaborations and tourism), social (socio-psychological functionality) and landscape – character of rural areas (e.g. aesthetic impact). Four types of actors from different datasets, in 36

Dutch municipalities, are used in a collective evaluation, 1) side activities' owners, (2) local residents, 3) local businesses and from an institutional perspective, 4) local authorities (municipalities). What this study found is that although side activities do not seem to have a great impact on the local economy and employment, however, in terms of local collaborations, networks and rural tourism, their contribution seems to be highly valued by all different actors. Further, side activities are also perceived to have a socio-psychological functionality, it is a place to socialize, to cheer up and also a place for older adults. Side-activities add definitely to a vibrant countryside. Finally, in terms of their landscape and aesthetic impact, side activities especially the ones practiced from a former farmhouse, are perceived to have a positive influence and add to the cultural and historical values. From a policy perspective, although non-farmers' side activities and their impacts have not yet been considered in policy agendas, many policy makers and local action groups may come to recognize their potential role in revitalizing rural areas and contributing to a Living Countryside.

Gateway G1

HETEROGENEITY AND POWER ASYMMETRIES IN A TERRITORIAL INNOVATION SYSTEM

Pedro Marques, Newcastle University, UK

Research on successful territorial innovation systems has tended to emphasize the cooperative and systemic properties of these agglomerations. These have been shown to sustain knowledge externalities that benefit all organisations within the system and make the whole greater than the sum of its parts. However a growing body of research has focused on the power asymmetries and internal heterogeneity within such systems. The objective is to understand what these systemic failures mean for innovation theory and policy. Using the case study of the Portuguese moulds industry this paper will describe a sector that has grown exponentially and remained competitive during the past 4 decades, despite the existence of internal hierarchies, distrust and systemic failures. Using an evolutionary approach it will describe the evolution of inter-firm relationships, and demonstrate that these are influenced by three sets of factors: the internal characteristics of individual organisations, the external local features of the TIS and the national or international context in which firms operate. It will conclude by suggesting that both theory and policy need to be more active in understanding heterogeneity within and across innovation systems.

Gateway O1

CORPORATE SOCIAL RESPONSIBILITY AND COMMON GOOD

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Beyond the corporate world, Corporate social responsibility is providing fertile ground for think-tanks and consultancies. Why the boom? For a number of reasons, among them because companies are having to work harder to protect their reputation, and by extension, the environment in which they do business. Now comes concern over climate change, probably the biggest single driver of growth in the Corporate social responsibility industry of late. The great green awakening is making business enterprise after business enterprise take a serious look at its own influence on the environment. "Doing well by doing good" has become a trendy and a snappy slogan. Companies have eagerly adopted the jargon of "embedding" Corporate social responsibility in the core of their strategies, making it part of the organization DNA", so that it impacts judgments through out the business. Good corporate governance means that a business enterprise's behavior surpasses what is strictly required. As State power has declined, the field of influence of companies has increased. Corporations get involved in the health of workers, the education of employees and their children, the pensions that are essential in their retirement, and so forth. Companies have become essential to the existence of sound and good governments, and the political peace and common good of countries and regions.

Ron Martin, University Of Cambridge, UK

Although the idea of ‘resilience’ has been used for some time in the physical, engineering and ecological sciences, and has found its way into such disciplines as psychology and organisation science, it is only very recently that it has attracted attention from regional analysts, spatial economists and economic geographers. Yet the meaning and relevance of the concept are far from settled matters. For one thing, there is much ambiguity and difference of view as to the precise meaning of the notion of regional or local economic resilience, how it should be measured, whether resilience is a positive or negative attribute, and what it implies for policy intervention. For another, transferring a concept developed to analyse the dynamics of one type of system, especially ecosystems, to the analysis of another, quite different type of system, a regional or local economy, is itself problematic. And for yet another, to some writers, ‘resilience talk’ conjures up worries that the notion can all too easily be captured by neo-liberal apologists, to bolster arguments in favour of the need for ‘flexibility’, ‘self-help’ and ‘competitive fitness’. For these and other reasons, some economic geographers remain hesitant about the notion of regional resilience. The response to this hesitancy should not be to rush to dismiss the concept, however, but to devote some effort to try to give it more precision and clarity, and to see how far and in what sense it might help inform our understanding of regional economic development and change. This is the motivation behind this paper. More specifically, my aim is to explore how the notion of ‘resilience’, for example as used in ecological work, can be combined with that of ‘hysteresis’, as used in economics, to examine how regional economies react to recessionary shocks. Do regions differ in the extent to which their economies recover and rebound from severe recessionary shocks? Do regions that are more severely affected by such shocks grow more slowly than other regions as a result? These are the key questions addressed here. The paper is essentially in two main parts: the first sets out some of the components of a possible conceptual framework for thinking about regional economic resilience to recessions, while the second uses this framework as a basis for some preliminary empirics on the UK regions.

John Mawson, Durham University, UK

Research capacity in most public bodies is becoming increasingly stretched reflecting pressures on the front line services with research activities the first to go. Given this situation, it is interesting to note that a recent Government report Supporting Local Information and Research (CLG, 2009) made only the briefest of references to the potential contribution of universities in relieving some of these pressures. The UK’s Research Councils and other research institutions annually fund over £3 billion of university research, much of which is directly relevant to the local governance agenda. However, a study for the Economic and Social Research Council, found that there was only limited awareness or use of this research in local government (Lam and Munro 2005). While universities now have to demonstrate the impact of their research activities, a recent British Academy report (2009) on the policy impact of research in Humanities and Social Sciences, concluded that this was an ongoing problem with academic research not being used by public service users because of a lack of awareness of its availability amongst practitioners and an absence of the necessary skills on both sides of the academic/practice divide to make use of the findings (Universities UK 2010). It is important to recognise that the challenges reside on both sides of the fence, and that the issue cannot be addressed solely at a national level, a fact which has been recognised in the establishment and development of various forms of intermediary bridging role, including the Local Authority Research Council Initiative (LARCI) and more specifically at the regional and local level through bodies such as the Centre for Translational Research in Public Health and the Institute for Local Governance (ILG), both based in the North East. The following sections of the paper examine how these challenges of ‘bridging the gap’ can be addressed through a regional intermediary role. What is the ILG? The ILG is a research and knowledge exchange partnership comprising the region’s five universities (Sunderland, Teesside, Northumbria, Newcastle, and Durham), local authorities, police, fire and rescue services and other public service partners. The Governing Board is chaired by the Chairman of the Association of North East Councils and supported by a quarterly Management Committee. The ILG has a small

team of 4 staff which is hosted by Durham University. Access to the 5 universities research services is provided by senior academics who act as 'link persons' and sit on the Management Committee. The Institute was established on the premise that there were common interests in the pursuit of research and intelligence in this area of public policy although the outcomes of these endeavours might be used by academic and practitioners communities for different purposes. It was also acknowledged that the two worlds sometimes drew on different forms of knowledge (tacit and codified) in the pursuit of research and that this presented a potential opportunity to generate new insights based on a two way flow of knowledge and experience. The so called 'co-production' process in which academics and practitioners work together is a central theme of the work of the ILG as is the notion that wherever possible academics from the regions universities should be encouraged to collaborate across institutional and disciplinary boundaries in the delivery of ILG services. The ILG's brokering role seeks to reduce raise awareness, transaction costs to public sector partners and to provide a quality control. The ILG commenced full operation in January 2010. Initially much of the ILG's work has involved brokering the delivery of research contracts for the North East Improvement and Efficiency Partnership – a local authority controlled partnership. Working with its Programme Boards, the ILG has identified and brokered some 10 research projects worth over £0.5 million covering a wide spectrum of policy and management issues. The ILG also has its own funded programme of research and knowledge exchange activities which involves several components. Firstly the ILG organises 'policy clusters' for its non-local authority partners in the fields of crime and disorder; public health; and climate change. This involves bringing together senior policy makers and managers in the organisations concerned with relevant academics from the five universities in order to identify policy priorities and research themes of mutual interest, leading to follow up discussions and research opportunities. The second delivery theme involves providing a small dedicated sum for individual local authorities to design their own specific piece of research and/or knowledge exchange delivered by appropriate university suppliers in areas such as social enterprise; and enterprise support in disadvantaged communities. The third theme has set aside funding for large scale research projects cutting across individual local authority boundaries in areas such as alternative models of service delivery and innovative approaches to youth services. The successful development of this project has revealed the value of the bridging role but also key underlying challenges.

Gateway D1

MODERNIZATION OF POLISH AGRICULTURE ICT IN THE RURAL SPACE OF MAZOVIA REGION

Marcin Mazur, PAS, POLAND

Information & Communication Technologies (ICT) became indispensable element of contemporary human activity. They're used practically in all domains of life, also in modern agriculture economy. Farmer is gaining and extending his knowledge by means of them. ICT allow to enter into contacts with other producers and agricultural services, to realise a promotion of agricultural products and services and order indispensable production goods. Access to modern ICT in agriculture is a basic element, determining correct and efficient activities of today's farms. The peak of internet forums dedicated to agricultural issues is an example of the statements above. During 2007 American internet page Agriculture.com attained an increase of user's number by 25%. There is also observed an increase of average time of navigating on agricultural websites up to 11 minutes per user. In 2006 in Denmark 84 per 100 of farmers had access to internet, in the Netherlands 80 per 100. In 2003 in France 105 thous. of enterprises belonging to agricultural sector were connected to internet. Accessibility to internet index is one of the key indexes of Lisbon Strategy. The role and importance of each ICT element is still growing. But nowadays in the communication process the most important is the access to internet and mobile telephony. Especially internet creates unlimited opportunities to acquire and exchange an information. It's making possible the convenient realization of higher level services irrespective of distances. So called 'information society' is absolute condition for social and economic development, and to improve regions competition. To enable optimal using ICT, two basic conditions should be fulfilled: common access to ICT facilities and appropriate skills of users (knowledge and references). The knowledge about using modern ICT in Polish agriculture is very poor due to lack of investigations and lack of available statistical data. There is known, that dispersing of new technologies take a course in general from cores, which are mostly agglomerations, to peripheral rural areas. The earlier investigations on Mazovia region proved, that different farms are using ICT on very different levels (investigation realized in the Sixth Framework Programme EU - . Foresight Analysis for Rural areas of Europe (FARO), 2007, directed by Alterra Wageningen from the Netherlands. There is known

from specialist literature, that usually on Polish rural areas farmers are professional group, which acquire new ICT solutions the last and at the lowest level. That's why farmers are the most exposed to digital divide phenomena. This occurrence concerns social stratification on: persons or local groups with access to internet and the other ICT using them, and on persons without such access or without skills to use modern ICT. Farmers are relatively the largest social group without internet access or with low level of required skills to use it. In the project causes of such state of things are searching for and the real examples of this problem solutions are identifying. The area of interest is Mazovia region. It's a region with parallel existing highest level of technology advancement in Poland - Warsaw agglomeration, and typical agricultural areas with different market orientation and production specialization level. There are found in the region strong specialized in fruits, vegetables or flowers production areas. The greatest in Poland orchards region, from where 1/3 of country fruits production originate, occurs south and south-west from Warsaw. About 15% of country vegetables production originate from suburban zone of Warsaw. Strong specialized in paprika under the cover production area is localized in neighborhood of Radom (the second biggest city in Mazovia region, its southern part). On the other hand the great part of Mazovia region is an area of multidirectional traditional agriculture, self supply oriented. The main aim of the project is to diagnose level of ICT use by farmers: from different parts of Mazovia region, from different types of agriculture area and from different localization towards to the city. In the project framework, among the others, over 1400 questionnaire interviews with farm owners from intentionally chosen 20 rural municipalities are realized. These municipalities are in different distances from Warsaw and are representing 6 different functional types. The gained results allowed to define real rural areas, where ICT are the most common using and appreciate by farmers. But intentional selection of investigated municipalities allowed indicate concrete types of agriculture, where this processes are occurring faster and ICT are becoming more and more indispensable in agricultural activities as well. The gained results allowed also to make deepened analysis of successive phases of proceeding rural areas modernization in respect of ICT.

Gateway I

LOCAL FACTORS INFLUENCING DECISION-MAKING AT REGIONAL LEVEL IN REGENERATION PROGRAMME FUNDING

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It is becoming increasingly difficult to find financial support for large-scale regeneration projects, due to extensive cuts to government funding. Competition for existing funding is becoming ever greater, with potential schemes vying for the same dwindling funding streams. Closer scrutiny of the viability of proposed schemes, and of the neighbourhoods they aim to transform, is being undertaken before funding is granted. This paper will discuss some of the neighbourhood factors which may contribute to the perceived viability of regeneration schemes, and therefore influence the likelihood that they will receive funding. These include: „X Their geography (e.g. the existence of other, more viable regeneration funding applications in the same or neighbouring boroughs); „X A current or potential future 'reason for being' (e.g. buoyant local employment market, high local demand for cheap student housing etc.); „X The typology of the neighbourhood ; „X Local demography (e.g. an ageing or dwindling local population); „X The level and nature of social problems, e.g. crime and anti-social behaviour; „X The quality of the built and natural environment; „X Transport links. The paper goes on to explore the potential costs for neighbourhoods where planned regeneration schemes are not able to access funding, including worsening decline, loss of confidence in local government among residents, and abandonment. Finally, the alternatives available to such neighbourhoods are considered, including scaled-down regeneration projects, managed decline, and less resource-intensive options such as community development work. This paper is based on a series of interviews carried out with national, regional, and local housing professionals, and local residents, as part of research on the longitudinal assessment of a planned neighbourhood regeneration scheme in the North East of England. Communities and Local Government (2009) Understanding the different roles of deprived neighbourhoods: a typology. (Available at <http://www.communities.gov.uk/documents/communities/pdf/1152906.pdf>; accessed 28th January 2011)

BARRIERS TO IMPROVING WORKPLACE LEARNING BY LOW SKILLED WORKERS IN LOCAL LABOUR MARKETS

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A complex combination of issues affects the take-up of training opportunities by low skilled workers, despite serious skills gaps in many industries. There are significant differences in individuals' experiences across geographies, sectors, occupations, levels of qualification and patterns of employment. Furthermore, employer and workplace factors are key in shaping individuals' attitudes towards, and opportunities to participate in, training. However, while research has identified a range of barriers and motivators that help to explain individuals' differing experiences of participation, it has proved more difficult to quantify and measure the importance of these different factors. This paper presents initial results of an innovative use of stated preference to investigate these issues across 200 low skilled workers in two English regions.

SPATIAL PLANNING AND THE GOVERNANCE OF ECOLOGICAL SETTLEMENTS IN THE UK

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What is an ecological settlement, and how can planners make cities more ecologically sustainable? These questions have inspired over two decades of planning theory and practice in the Western world and more recently in the East. This proposed paper will look at the history and concepts of 'ecological cities' thinking in the UK and contemporary 'green urbanism' practice from two perspectives: top-down planning for eco-cities and bottom-up responses to sustainability imperatives. The top-down perspective refers to the hierarchical implementation of government policies at different levels and across different sectors, whereas the bottom-up perspective considers grassroots initiatives led by the individuals and communities. This will also help understand the multilevel governance issues. The subsequent discussion, will examine the development of the ecological concepts and the origins of green urbanism and its governance in Western philosophies of the city, and focus on case examples from the UK. It will then trace the impact of ecological ideas on environmental planning and governance in the UK, ideas which rapidly inspired planning practices across Europe and in North America, and later were replicated in Australasia. In terms of top-down, I will discuss various actions over the past few years that have translated eco-towns policies into reality in the form of various eco-settlements in England. I will then move on to the bottom-up 'Transition Towns' movement, which has emerged from community concern about a global oil crisis and the need to develop resilience to the changing climate. The range of initiatives emerging from this movement has brought about a variety of community actions, particularly in the Western world. I will examine these in some detail. I will conclude by highlighting the development and governance issues to the rapidly urbanising spaces and the existing cities and regions for more effective actions for resilient and sustainable settlements.

FUNCTIONAL VERSUS SECTORAL SPECIALIZATIONS IN THE RANDSTAD HOLLAND MEGA-CITY REGION

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The Randstad Holland often serves as the classic prototype of a polycentric metropolitan region: a variety of rather equally-sized cities is located in close proximity. Amsterdam, Rotterdam, The Hague and Utrecht are the main anchors of this 6-million people metropolitan region, but none of these dominates over the others. These cities are well connected by infrastructure and transit, and not surprisingly, they have become ever more functionally integrated in the last decades. Central government has proactively been fostering the functional integration of the Randstad-cities to reap the benefits of their combined size. Preventing the rise of a dominant city has been part of the long-prevailing Randstad planning doctrine, which aims, amongst other things, at

maintaining balance between the region's major urban centres. However, anecdotal evidence such as the movement of headquarter functions, appears to suggest that Amsterdam – vis-à-vis the other three key cities of Rotterdam, The Hague and Utrecht – is gaining ground and strengthening its position as the region's international gateway city and economic command centre. As firms increasingly disperse their activities over a wider region to places that provide the right balance between agglomeration benefits and costs for their specialized activities, it could well be that behind the balanced image of the Randstad on the map lie hidden perhaps profound functional hierarchies between cities. This may lead to a specialization of the Randstad cities not by sector, but by function. And indeed, more generally, it has been posed in the literature that cities specialize nowadays by function rather than by sector. In this paper, by using correspondence analysis techniques, both sectoral and functional specializations of the different city-regions in the Randstad are explored and compared over time (1992-2009). For this, a unique set of occupational employment data is used, next to more traditional sectoral data. Moreover, occupational employment data is turned into a measure of the functional hierarchy of the Randstad cities by relating occupations to salaries and education levels. This allows us to examine whether the balanced image of the Randstad on the map actually hides profound functional hierarchies.

Gateway K

REGIONAL IDENTITY AND REGION FORMATION IN FLANDERS (BELGIUM)

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Over the last two decades, there is a renewed public, policy and research interest in the geographical scale of the region and regional identity. Regional identity is a multicomplex concept that is difficult to grasp and many definitions exist. In a constructivist view, regional identity refers to the extent to which people identify themselves with the region as the whole of institutionalized practices, discourses and symbols. People of the region ascribe regional identities to an area based on specific perceived characteristics or qualities of the area. These characteristics are coloured by personal experiences and individual interpretations as well as by social discourses and stereotypes. Regional identities are not only expressed in a sense of belonging, but can also contribute to regional development. Therefore it is important to put the concept in a broader context. The construction of regional identities is namely closely intertwined with region formation processes. There are two major perspectives regarding the formation of regions: a structurally oriented perspective and an agency-oriented perspective. This paper investigates whether these perspectives can be found in the Flemish cases. Next to that we want to clarify the role of regional identity in these region formation processes. In the structurally oriented perspective, the rise of the region is considered to be a logical outcome of broader trends and pervasive developments, such as globalization, flexibility of production, state restructuring, and urban expansion. In an agency-oriented perspective, regions are seen as social constructs, defining and shaping themselves as part of, and through, different social and discursive practices. In this perspective, the demarcation and the personality of a region cannot be taken for granted as pre-given facts. Instead they have to be seen as the results of social struggles, power relations and identity politics. Lagendijk (2007) facilitates the study of the construction of regional identities by linking both structurally and agency-oriented perspectives together in a framework. This linkage is seen as part of an evolutionary process in which the region first becomes privileged, then achieves coherence once institutionalized. It begins with a limited set of pervasive economic, political or social driving forces creating some “windows of change” (structurally oriented perspectives). These various windows are then converted or translated into specific forms of policy-making, as well as practices and performances at both the individual and organizational levels. Finally, these “new” practices and ways of policy-making become regularized and institutionalized in new forms of regional governance (agency-oriented perspectives). Based on extended case study research methods, including grounded theory, this research focuses on two specific Flemish rural regions. In the first region Westhoek, in the very western part of Flanders, there is a common consensus on the regional demarcation and a strong sense of regional attachment. Pajottenland, the other region, is a rural region situated in the urban-rural fringe of Brussels. Although the name Pajottenland exists since the 19th century and is well known both inside and outside the region, there is no consensus on the borders of the region and the attachment to the region is rather low. By means of comparative analysis of both regions we will investigate whether the framework of the combination of both structurally oriented and agency-oriented perspectives can explain the observed differences, with specific attention to the role of regional identity in the formation of the regions.

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Greece is the most mountainous country of the European Union (EU) along with Austria. According to NORDREGIO (2004) mountainous areas in Greece account for 77.9% of the total country area, while according to the National Statistical Service (2005) the area of the mountainous and semi mountainous municipalities accounts for 71.3%. Mountainous areas are fields of great natural, biological/genetical and cultural wealth, but in their great majority they face numerous environmental and socioeconomic problems. These are mainly abandonment, isolation and population ageing. As for practicing agricultural activities, this is very difficult, because of the intense and intensively changing topographic relief, the fragmentation and dispersion of very small land holdings (ownership/use/exploitation units) and the extreme climate conditions prevailing. In 1975, the European Community announced the first mountain oriented ;development; measure, introducing direct income support for farmers in mountainous areas (European Commission 2002). Since then, important progress has been made not only in dealing, in a theoretical level, with the strategies, policies and measures for the ;sustainable; development of mountainous areas, but also in documenting specific critical views (Dax 2004, Rokos 2004, 2010). The fact is that so many years after the ;implementation; of these European and national strategies, the complicated, multidimensional and interrelated problems of environment and development in mountainous areas, have not been confronted. On the contrary, in many cases, they get even worse. There are many reasons for this failure. First of all, there is no specific European strategy for the development of mountainous areas, taking into consideration the fundamental elements that characterize the specific natural and socioeconomic reality of these areas, even though the voices pointing out the need for a ;Green Paper on the Future of the European Mountain Areas; (Euromontana 2007, AEM 2008) are getting stronger. Apart from this, a critical analysis of the European strategies, policies and measures for the ;sustainable; development in general and especially for the development of mountainous areas, indicates that the main directions for such a development, concerning agriculture and secondly, tourism, depend exclusively on competitiveness, entrepreneurship, innovation and flexible forms of employment and are in most cases partial, sectorial, segmental and even inappropriate. In this paper, it is documented that the implementation of such policies, even though they could have some positive sides for industrial lowland countries and regions, cannot contribute to the revival of the mountainous areas in general and especially of those in extremely mountainous countries like Greece. On the contrary they may deepen their existing social and economical problems and degrade even more their already sensitive and vulnerable natural, socioeconomic and cultural environment. Thus, a radically different approach is necessary for mountainous areas. This approach should be based on the concept, values, methods, techniques and procedures of the Worthing Integrated Development (WID), which has to be simultaneously economic, social, political cultural and appropriately technical/technological development (Rokos 2003, 2004, 2005, 2010). WID should be always in dialectical harmony and with respect toward human beings and the natural and cultural environment of mountainous areas, in which they behave as their integral part and not as owners, ;investors; and exploiters. The basis of such developmental and environmental policy should be the implementation of an interdisciplinary and holistic approach, methodology and practice with the overall aim of a life worth-experiencing by all citizens of the world, at our common home, planet earth. The technological tools, the methodological and technical steps and the optimal policy practices for the pursuit of the Worth-living Integrated Development include, interdisciplinarity and the need for holistic approach, inventory, mapping and systematic monitoring of the elements, features, appearances, phenomena and facts, which constitute the - unique in each case - unity of natural and socio-economic space. The economic but moreover the social, political and ethical crisis not only in Greece, but also in Europe, as well as all over the world, might be an opportunity for the revival of mountainous areas in an integrated manner, far away from the dominant developmental model that caused all the contemporary social, economic and environmental problems in mountains and in our planet, in general.

“NO MORE BORDER. WHAT NOW?” ECONOMIC INTEGRATION ALONG THE PORTUGUESE-SPANISH BORDER

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Portugal and Spain experienced a very peculiar situation right up until the 1980s, because although they were neighbours and shared a similar political situation this did not have had any impact on the deepening of trade and economic relations. Besides, cross-border relations never were stimulated and the border remained too closed. Both dictatorial regimes, very centralized, did little to develop border regions that remained as forgotten and unarticulated territories by their respective governments. It was an external factor, the joint adhesion of Portugal and Spain to the EEC, in 1986, that finally created the conditions to intensify the relations between both countries within the framework of the EU, itself deepening its process of integration (the completion of the Single Market, the implementation of common economic, social and environment policies, the process of de-bordering and the adoption of a single currency). With the intensification of the political and economic relations between Portugal and Spain, capital and trade flows have been contributing to the materialization of an Iberian market. In just a few years Spain became our main economic partner; since the end of the nineties it became the main export destination and the main origin of imports. There is also an emerging process of production reorganization inside the Iberian market and a tendency of geographical concentration and production specialization. The aim of this paper is to analyze how border regions are responding and taking advantage of this ongoing process of economic integration of the two Iberian economies. Two case-studies will be discussed: North of Portugal (PT) – Galicia (ES) and Alentejo (PT) - Extremadura (ES) using a trade dataset of the two Spanish regions from 1990 to the present. Historically, Galicia and Extremadura have distinct logics of insertion both in their national market as well as in the European markets. In the case of Extremadura its primary market is the domestic one due to its remoteness and low level of industrialization. In the context of the internal market it articulates primarily with the closer regions exporting mainly primary products. The disappearance of the border may be relevant enabling to extend its local market to the Alentejo – a region with which it shares some common characteristics – in search of trade opportunities. On the other hand, Galicia is linked to the most industrialized and developed regions in Spain such as Catalonia and Madrid, despite being slightly more distant, and has also developed an export vocation for the European market thanks to an automobile French multinational group (PSA) situated in this region and, more recently, to the development of local multinationals, such as the Inditex group. How is Galicia interacting with the North of Portugal? During the last decades the export structure of Galicia towards Portugal has changed dramatically, especially in clothing and automobiles. In the case of the automobile sector, for example, those changes emphasize the role of Portugal, as well as the new member states, as sources of compounds and intermediary products, while the EU 14 remains a main destination of the final products. It's our objective to discuss whether those distinct logics of market insertion will condition and affect the way each Spanish region is experiencing and taking advantage of the de-bordering process and the way they are relating to their neighbouring Portuguese region. Key Words: de-bordering, cross-border economic integration, Portugal, Spain

REGIONAL GOVERNANCE IN NORTH EAST ENGLAND: WHITHER EUROPEANIZING TRENDS?

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Public intervention in problem regions has been legitimated by regional development differences at the heart of the European Community (EC). The aim of this intervention, which has been evident since the Treaty of Rome, has been the reduction of socioeconomic imbalances affecting a number of regions. Persistent economic difficulties in problem regions have only provoked greater interest from the Community, which has invested considerable resources in the issue. The Europeanization of regional policy has had a significant impact in shaping the regional policies of Member States since the reforms of the structural funds in the late 1980s. The impact of this Europeanization has been variable according to the institutional architecture of the Member States. Despite a long regional policy tradition beginning in the 1930s, Britain has progressively deprioritised regional policy since the early 1980s. The reduction in regional assistance was compensated by the investment

of structural funds; in consequence the structural fund reforms impacted upon the relationship of centre and periphery in the United Kingdom. Europeanization took a much greater role in this member state from the end of the 1980s. Waves of decentralization were promoted by successive governments with the aim of bringing the regions closer to Whitehall, and led to the emergence of a new mode of governance since the late 1980s. The 1988 reform of the structural funds reinforced the partnership principle and subsidiarity which made it compulsory for the central government to involve local and regional players. In response to this reform, the Major government created the Government Offices for the Regions (GOs) in 1994. The objective sought to bring Whitehall closer to the regions. Local and regional actors started to get involved in the management of certain initiatives. The Single Regeneration Budget (SRB) is a good instance. This institutionalisation was said to be innovative insofar as it did not only aim to regenerate local and regional economic development but was also intended to alter profoundly the practices of governance and participation in policymaking. However, Major's administrative decentralisation was judged ineffective by criticism articulated very strongly by the Labour party in opposition in the mid 1990s. New Labour insisted on the necessity to introduce a genuine 'democratic renewal' which was said to be embodied by their 'new regional policy'. Tony Blair's new institutional settlement was in line with recommendations of the European Commission and the General Directorate of Regional Policy (DG XVI) whose collaboration with the English regions increased significantly. The aim behind the introduction of the Regional Development Agencies (RDAs) in 1999 was to fulfil the institutional vacuum and to give the English regions visibility both at the national and the international levels. In many regards, the RDAs played a key role in the governance of economic development, as subnational partners became fully involved in the governance of a large number of initiatives. European funding, notably European Regional Development Fund (ERDF) enabled them to address underperformance and provided substantial resources for the delivery of the priorities set out in the Regional Economic Strategy (RES). Whilst these innovations promoted a greater regional participation, a persistent economic divide has placed a question mark over the success of 'democratic renewal'. The aim of this evidence-based paper is twofold. It first explores the impact of EU reforms on regional development in the English regions and then assesses the significance of this institutional innovation in involving local and regional actors in the delivery of regional economic development. Further, relying on case studies drawing upon a scrutiny of the governance of the RES and the management of the SRB in the North East, this paper will raise questions upon the importance of genuine governance practices in the delivery of effective regional economic policies.

Gateway J1

THE POTENTIAL ROLE OF THE TERRITORIAL TURN IN THE LISBON TREATY ON ECONOMIC MANAGEMENT OF FUNCTIONAL ECONOMIC AREAS IN ENGLAND

Janice Morphet, UCL, UK

In Europe, the development of functional economic areas (FEAs) and their relationship to places within polycentric geographies has attracted considerable policy analysis and application. Indeed, the implementation of the Lisbon Treaty in 2013 and the addition of territorial cohesion as a key policy objective have further stimulated a number of new spatial dimensions which are now being considered within an English public policy context. Beyond the central role of territorial cohesion, these include new protocols on subsidiarity as well as improved access to public services through place-specific policy, legislation and funding apparatus. Brought together, such influences will be crucial components – alongside those focused on delivering economic and social cohesion – in shaping urban and rural territories and will be assessed for both their redistributive effects, as well as their contribution to environmental sustainability. Across Europe, there are already several examples of member states engaged in operational practices seeking to secure territorial cohesion that the Lisbon Treaty will formally promote from 2013 onwards. For example, through the deployment of the notion of polycentricity and multi-scaled contracts that are tied to “place”, a twin programme for managing investment in infrastructure at a sub-regional and local level is taking place between the border regions of Finland and Russia. In England, the emergence of Local Enterprise Partnerships (LEPs) - a new form of sub-national governance is developing in parallel with the implementation of the Lisbon Treaty. LEPs have been promoted as being better positioned to reflect “real” economic geographies and FEAs. Given that the functions of LEPs will cover aspects of planning, housing, employment, local transport and infrastructure, they may also be well positioned to manage EU funding in the post-2014 period. Moreover, with their focus on infrastructure investment, and specific localities, LEPs may be a rather crucial site for contestation in respect of the application of new approaches encapsulated within the Lisbon Treaty and its emphasis on securing territorial cohesion. Consequently this paper will

consider some of the key contemporary issues associated with LEP formation and implementation across England. These include i) the democratic accountability of such arrangements and inter-relations with territorial coherence and notions of subsidiarity, ii) their ability to act as suitable governance mechanism for public investment and service delivery, iii) their role in securing effective multi-scalar governance across a range of spatial scales that is conducive to redistribution and territorial cohesion and (iv) their effectiveness as a tool that is responsive to functional economic geographies and which minimises “spatial spillovers” that impinge detrimentally on their efficiency and accountability. In so doing, the paper will conclude by highlighting some of the key implications that arise for the effective implementation of the emerging Territorial Impact Assessment (TIA) tool which is seeking to assess the impact of European (sector) policies on territorial and spatial planning / policy-making.

Gateway Q2

THE MARKET AND NON-MARKET VALUE OF WATER BASED ACTIVITIES IN THE WEST OF IRELAND

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Tourism is a major international industry and is the largest global employer, providing 231 million jobs in 2007 (World Travel and Tourism, 2007). Coastal locations are traditional hotspots for tourism and leisure activity (O'Mahany et al., 2009; Hynes and Farrelly, 2010; Jennings, 2004). Indeed, ocean and coastal tourism is widely regarded as one of the fastest growing areas within the contemporary tourism sector (Hall and Page, 2006). Travel and tourism is a rare industry where off-shoring is difficult (Houston, 2008). The tourism experience in Ireland is unique to Ireland; one must visit Ireland to enjoy it. Ireland's island status gives it a comparative international advantage in marine and coastal tourism. The coastal landscape of Ireland is among its best known scenic attributes (Cooper, 2009) and provides a multitude of recreational opportunities including sea-angling, diving, surfing, scenic walkways and wildlife observatories. At the national level, marine based water activities generated €74.3 million in turnover to the Irish economy in 2007 of which €40 million was Gross Value Added. The sector employed 1090 individuals in Full Time Equivalents (Morrissey et al., 2010). Trips to recreational sites generate two distinct kinds of economic impacts for the coastal and marine economy; market impacts and non-market impacts (Pendleton and Kildow, 2006). Market impacts refer to the flow of money through an economy and the associated jobs, wages, and taxes associated with these flows (Nelsen, 2007). In contrast, non-market impacts refer to the consumer surplus that a resource provides. For example, Curtis (2002) points out less obvious than the economic benefits of recreational activity is the importance of leisure for quality of life (Brajsa-Zganec, 2010). This paper examines both the market and non-market value of Water Based Activities (WBA) to the West of Ireland, using economic impact assessment and travel cost models. With regard to market value, this paper found using economic impact assessment that based on an average expenditure of €331.57 across the five company sites and a total of 769 visits the direct, indirect and induced effect of the WBA participates was €370,000 to the local economies. With regard to the non-market value, it was found that the mean consumer surplus for the average WBA participant was €2,500 per trip. Average travel cost was €1,283 compared to the CS value of €2,500. Given that consumer surplus is 49% of total willingness to pay this would suggest that individuals receive approximately double the benefit from engaging in the WBA offered by the companies in access of their travel costs. This indicates a total consumer surplus figure of €2,265,750. These results indicate a high market and non-market value of WBA to local economies in the West of Ireland.

Gateway G1

THE ECONOMIC CRISIS AS AN OPPORTUNITY: THE CASE OF KYIV

Olga Mrinska, ILORI, UKRAINE

Ukraine is one of the countries hit hardest in Europe by the global economic crisis since 2008. With a rigid and non-diversified economy which is over-regulated and corrupt, open to global financial markets but closed to international markets for competitive commodities, services and technologies, Ukraine paid a high price for its lack of meaningful progressive reforms over the last two decades. As in many countries, however, the crisis has

not affected all Ukrainian regions in the same way. Regions with a high concentration of traditional export industries suffered hugely from plummeting international commodities prices in 2008-09, whereas regions with a more diversified structure of the economy and a larger service sector have seen recession on a smaller scale. Regions with a substantial share of agricultural production have also seen a less dramatic decline, albeit from a lower base, since this has been the only sector to demonstrate sustainable growth in the post-crisis period. Kyiv, the capital of Ukraine, always has been and remains the unchallenged leader of the national economy. In 2008, its share of GDP was 18% (with the other 26 regions contributing the remainder). Traditionally, Kyiv has had many advantages: lower levels of unemployment; the most well-qualified and flexible workforce (and constant inflows of fresh labour from other regions); the highest income levels; better social standards; huge (by Ukrainian standards) investment flows; and a relatively well developed and maintained infrastructure. For the same reasons, however, Kyiv also has the highest cost of living, overcrowded transport and social infrastructure, and exorbitant property prices (even after dropping by 50% since 2008). Kyiv is also the most diversified regional economy of the country, with services accounting for 87 % of Gross Regional Product (2008). Over the last ten years, Kyiv enjoyed a boom due to lucrative investments in the property and construction markets, retail, banking and other financial services. For example, it attracted almost 100 times more FDI than the region with the lowest level of FDI. Kyiv also benefits from being Ukraine's administrative capital, which brings a substantial concentration of public sector jobs that usually have greater benefits than similar jobs in the private sector. It was the structure of the Kyiv economy, however, and its openness to international capital markets (especially in the five years prior to the crisis), which left it so vulnerable to the crisis and led to an economic crash in 2008-09. Overall, the Kyiv economy contracted by 13.5%, compared to 15% for the economy as a whole. However, some sectors – construction, property operations, financial services and retail – have seen decline that is higher than the national average; given that these sectors are crucial for the city's economy, this has meant a huge drop in tax revenues and new investments. In 2009, Kyiv also saw output in the food production industry decline by almost 90%, and a similar drop of 60% in the machinery sector, one of the most important, research-intensive sectors in the city economy. Moreover, with the banking sector heavily wounded by a liquidity crisis, loans to businesses and households have shrunk to almost zero. Property prices in Kyiv have plummeted, and construction of residential housing – once fuelled by mortgages with unrealistic conditions and high interest rates (often in foreign currency, as in Hungary) – has collapsed in a similar way to the property bubbles that burst in Spain, Ireland or Lithuania. The labour market contracted as thousands of white-collar jobs were slashed by once-burgeoning service industries. This was followed by massive redundancies in the SME sector, which caused a great outflow of labour back to regions where the cost of living is substantially lower. The public sector cushioned this negative trend for a while, even though some expenditure has been cut. In December 2010, however, the Government and President embarked on massive administrative reforms which aim to cut around half of public sector jobs, including around 30% of jobs in central government agencies, which are mainly based in Kyiv. This could bring the city economy to another low, as masses of highly qualified people could find themselves joining the ranks of the unemployed as they have few entrepreneurial skills and little hope of retraining. So what now? Has Kyiv recovered from the first wave of the crisis and found solid ground for dynamic economic growth? How is its economy performing compared to other regions and the national average? Has the city leadership used the opportunities brought about by crisis creatively and constructively, or have they avoided painful reforms while making populist promises? These and other questions are discussed in the paper. Its conclusions will provide a model of post-crisis development of Kyiv that could hopefully be relevant and illustrative for other capital cities in Europe and elsewhere.

Gateway L

FAMILIARITY AND THE DETERMINATION OF YIELDS FOR REGIONAL OFFICE

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In the UK, there are major inter-regional variations in office property development and investment. Relative to the size of the private business services sectors of their economies, core regions (London and the adjacent regions of the South East and East) benefit from significantly higher levels of property development and investment than would be expected. The reverse is the case in other regions. The difference has persisted since at least 1985. It cannot be explained by core regions' superior performance because office property investment returns are lower and risks are higher in core than in other regions. This indicates that there are persistent and significant biases in investors' decision-making. Investors influence the property market, *inter alia*, through yields: the required rates of return on property investments. The key issue is how effectively yields incorporate

spatial variations in risks and returns into property prices. It is hypothesised that the pricing of property investments in non-core regions is affected by the pure familiarity heuristic adopted by investors based in London. These investors perceive the core market as the focal choice alternative. Consequently, the determination of office yields is based not on the intrinsic investment characteristics of the regional markets but on a core market anchor combined with an additional regional premium. Our results confirm the hypothesis. We find that movements in London markets appear to be projected onto the regions, making (lagged) regional price movements dependent on core price movements. This behaviour reduces the diversification possibilities of regional property investment because the performance / pricing of such investments follow that of London in the manner of a self-fulfilling prophecy. This is reinforced by a second impact: the non-core market premium is determined by a pricing differential that has occurred in the past or is expected in the near future. A one-way price movement is implied that allows the creation and maintenance of very long-term miss-pricing patterns. These results have implications not just for the office property investment market but also for the regions, especially those outside the core. The latter are under-supplied with new, investment-grade property to the detriment of firms' productivity and of longer-run economic growth.

Gateway L

TRACING PATH DYNAMICS IN VENTURE CAPITAL FINANCING OF BIOTECHNOLOGY ENTERPRISES

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This presentation contains a theoretical framework to study institutional path formation at the interface of venture capitalism and biotechnology as well as first empirical findings. The research presented is currently being undertaken as part of a PhD project at IRS. Venture capital investment has a tremendous influence on the way innovation in biotechnology is done. It has been argued that VC investors favour quick ROI business models with predictable technologies and display highly uneven spatial patterns in their investments. However the questions whether VC is in fact innovation friendly and if there is a regional VC gap, remain disputed. Many studies on the technological and regional implications of VC contributed (partially contradictory) findings with regard to the industry as a whole. What research has been lacking up to now however, is attention to the spatial and temporal situatedness of investment practices, their contingencies and the latter's impact on geographical, technological and organizational path formation. In this project I try to trace the formation of path dynamics in the VC Industry and their possible impacts on biotechnology innovation paths. The focus is on the choices made by VC managers when selecting investee firms with their respective technologies as well as the following corporate development and exit strategies. These choices are made in an environment which is, on the one hand, highly structured by a rather rigid institutional setting (financial market rules and investment timeframes, research and market regulation in pharmaceuticals and GMO breeding) and, on the other hand, characterized by extreme uncertainty. The ensuing networking and knowledge acquisition strategies (including their spatiality) of VC investors are well understood in general terms. However the understanding of change applied here is one of specific, idiosyncratic situational settings (characterized by a case specific intertwining of structural influences) leading to potentially path inducing outcomes. The theoretical basis for my analysis is a neo-institutionalist understanding of actors, agency and the way actions are guided and interpreted. In short, institutions are generally shared ("sedimented") typifications of actors and their respective legitimate actions. Institutions emerge as perpetuations of solutions to previously unstructured problems. Institutions, once established, define legitimate action and come with a degree of "taken-for-granted-ness". Individuals however can take – and change – various institutionalized roles (professor, council member, company founder). An individual's positioning in this world of typified actors and legitimate actions has implications for their knowledge acquisition strategies and the social relations entered into, as well as the potential conflicts in interaction if differing institutionalized concepts of legitimacy meet (typically when academia meets the corporate world). The problem of friction between science driven start-ups and business driven investors has thus been highlighted many times. From a perspective of institutional economic geography, the localized interplay of territorial (laws, funding schemes, administrative border drawings) and non-territorial (corporate norms, rules of professional conduct) institutions can explain the dynamism of such inter-institutional dynamism in a way, non-territorial approaches can't. This is particularly interesting in the case at hand, since VC investment in biotechnology often takes place in heterogeneous coalitions involving both private and public or semi-public funding bodies. In order to describe this interplay one has to look at the practices that underpin or erode institutional boundaries and which are situated in space and time. Space comes into play as the material foundation of both professional

and private practices in every day life. Various roles taken by an individual are linked through mobility in space. Experience rooted in localized practice – commuting, business travel, housing, office work, leisure, exposure to technologies, lifestyles, informal contacts and communication in public space – is connected to the things people take for granted. Time comes into play through the cyclic and repetitive nature of practice, the scarcity of time budgets and the linearity of organizational and individual biographies. No entry into a collaborative network, a project with uncertain outcome, a new firm or a new institutional environment can be understood without taking into account a) previous repeated experiences and b) one's positioning in their linear biography. Institutional change is thus a process of people practicing institutional border drawing in time and space. In this perspective the emergence of – for example – a new business model for VC funded science driven firms and its institutionalization as the “natural” (legitimate and taken for granted) way of doing things can be understood more deeply than was previously possible. While the scales of analysis in existing studies are individual organizations, regions or economic branches, I chose individual professional biographies of persons involved with investment choices – scientists, founders, VC managers – as cases of inquiry. The biographical approach allows capturing both the transgressing of organizational and institutional borders and the perpetuation of practice within them. The decisive challenge in this approach is the identification of contingencies and “invisible alternatives” during path formation.

Gateway S

TRANSFER OF THE EUROPEAN REGIONAL POLICY TO THE LATIN AMERICA

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In contemporary world there are disparities still very much visible among regions. In the European Union one of the instrument aimed at cohesion and the regional potential spurring is its cohesion/ regional policy. Lately, the interest in the European integration model and governance has started to be noticed in the international organizations and third countries. Also the cohesion/ regional policy of the EU has been inspiring the policy-makers world-wide. The European Commission started dialogues with the third parties through which a sort of regional ;policy-transfer; can be observable. The main aim of the article is to analyze the process of EU policy transfer and regional/ cohesion policy-forming in the Latin America.

Gateway I

UNPACKING SOCIAL CAPITAL PROCESSES IN ECONOMIC DEVELOPMENT: REFLECTIONS ON LOCAL ECONOMIES IN ITALY, THE US AND KENYA

**Samuel Mwaura
Davide Parrilli**

In 'The Achieving Society', David McClelland opined that the forces that drive economic development 'lie largely in man himself - in his fundamental motives and in the way he organises his relationships to his fellow man' (McClelland 1961:3). Until recently, however, economic discussions focussed 'too narrowly on testing and rejecting models' and thus neglected many important facts merely because they do not readily 'come with an attached t-statistic' (Romer 1994, p19-20). Over the past two decades, social capital is one of the erstwhile ignored facts that has been emerging as an important concept in explaining the prosperity and resilience of some local economies (Dore 1983; Becattini 1990; Saxenian 1994) as well as in attempts to account for differences between national economies (Whiteley 2000; Hall and Jones 2001; Knack and Keefer 1997). While the question whether social capital is the infrastructure or the content of social relations remains (Woolcock 1998), the debate has important relevance to economic development generally and the development of local production systems, especially those based on Small and Medium Enterprises, more specifically. For example, under conditions of rich social capital, local production systems would enjoy trustful cooperative economic production where the economies of scale and scope are harnessed in a cluster setting, as pioneeringly observed by Marshall (1920) and developed widely in the clusters literature (e.g., Porter 1990, 2000; Amin 2000). As it happens, where the constituent members of these local economies are themselves individually highly enterprising and productive, the aggregate effect would be a pool of dynamic individuals engaging in networked

entrepreneurship that in turn promotes local development through, for example the mutual support and knowledge sharing that helps the start-up and growth of new businesses as well as the vibrant creation and diffusion of innovations (e.g., Johannisson, 1988; Parrilli, 2004; Steyaert and Katz, 2004). It follows then that of paramount significance in social capital dynamics is, primarily, what value the individuals that constitute the network contribute to the pool from which then persons with access draw variously. According to Putnam (2000), 'the core idea of social capital theory is that social networks have value' (p18-19). That value is more directly conceptualised as a capital in the economic sense by Bourdieu (1997:51): 'The volume of social capital (...) thus depends on the size of the network of connections (...) and on the volume of the capital (economic, cultural and symbolic) possessed (...) by each of those (...) connected'. Thus, highly enterprising and resourceful individuals that are also highly cohesive produce a high volume of social capital with economic outcomes different from other combinations of levels of individual enterprise and social cohesiveness, say low enterprise and low cohesiveness. In keeping with Woolcock's (1998:168) advisement that social capital 'must also encompass a range of societal dimensions and display certain key attributes that can be called upon in the course of resolving dynamic organisational dilemmas', we identify the mutually-dependent behavioural dimensions of a collective of agents that produce social capital, individual enterprise, defined as enterprising behaviour, and social cohesiveness, cohering behaviour, and their implications both on the modes of organisation of production as well as economic development more generally. Towards better comprehensibility of the mechanics of the sustained formation and reformation of robust and productive networks, social cohesiveness is decomposed further into the established bonding and bridging processes to which we add a new concept, 'tilling'. Tilling itself comprises of 'weeding', 'breeding' and 'gleaning' and can be macro top-down 'tract tilling' or meso bottom-up 'patch tilling'. We argue that economic societies are dynamically cohesive when bonding, bridging and tilling processes are complementary. In this sense, existing cohesions are not necessarily cohesive if wanting in bridging and/or tilling. Considering two levels of intensity (high and low), different combinations of individual enterprise and social cohesiveness generate four ideal-typical production systems with different hierarchical or heterarchical tendencies, as well as four different trajectories along which such production systems develop. A cursory empirical contrast of the industrial structures and development trajectories of the dynamic heterarchical Italian Industrial Districts (IDs) against the high individual enterprise and relatively low social cohesiveness context seen in the development of the American industry is presented; a brief Silicon Valley anatomy produces highly insightful Italianate parallels. A developing economy context, Kenya, is also considered where individual enterprise and social cohesiveness seem to be much weaker in big multi-ethnic city environments; a regional town however shows some cohesive late-bloomer prospects. Some important implications for research are extended but for policy, we submit that interventions will affect either individual enterprise or social cohesiveness or both and should thus be judiciously geared towards encouraging high enterprise and high cohesiveness towards avoiding the inefficiencies that blight other combinations.

Gateway J2

LOCAL GOVERNMENT FINANCE: THE GOVERNANCE OF SHRINKAGE IN GREATER DONETSK, UKRAINE

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Dmytro Myedvyedyev, National Academy of Sciences, Donetsk, UKRAINE

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The paper is generally addresses two major questions: a) does urban shrinkage lead to or encourage any particular governance arrangements?; and b) what impacts do these arrangements have with respect to the ability of the governance system to cope with urban shrinkage? In particular, the paper focuses on the field of local government finance and municipal budgeting in the context of urban shrinkage in the post-soviet Ukraine. It examines the complex web of governance considered as a set of interrelated factors, including actors and their patterns of interaction, structural conditions, and normative frameworks, affecting the processes of urban shrinkage in the Greater Donetsk conurbation, eastern Ukraine. The paper is an original and collaborative exercise of a multi-national research team funded through the EU's 7th Framework Programme.

**DO GLOBAL CHANGES MATTER IN CASE OF LOCAL/REGIONAL STRATEGIC PLANNING?
THE CASE OF IDRIJA (SLOVENIA)**

Janez Nared, Zrc Sazu, SLOVENIA

Rapid changes on a global level have many faces and differ from one region to another. The effects they cause are locally specific and the local structure is supposed to be the one who defines the strength of the changes and their impacts. To test this assumption the situation in Idrija (Slovenia) will be examined. Idrija has been one of the biggest mercury mining centres in the past and thus deeply integrated on global markets. The inclusion in global processes has made it more prone to global changes, either in positive or negative way. The paper is based on the in-depth analysis of the local situation in Idrija, with the aim to prepare a local development strategy, respecting current development trends on local, regional, national and global level.

**THE LONG TERM IMPACTS OF MIGRATION IN BRITISH CITIES: DIVERSITY, WAGES,
EMPLOYMENT AND PRICES**

Max Nathan, London School Of Economics And Political Science, UK

This paper examines the long term economic impacts of migration on British cities, using a new 16-year panel. Since the early 1990s the UK has experienced ‘the single biggest wave of immigration in British history’ (Goodhart 2010). Net migration has been highly urbanised. Has it affected the wages, employment rates and prices faced by UK-born workers? Contribution There is a large existing literature on the local economic impacts of migration. Most studies find little impact on average UK-born (‘native’) labour market outcomes (see Dustmann et al 2008 for a review). However, few authors examine broader effects of migration on the spatial economy, as more diverse communities emerge. This paper helps fill the gaps, adapting the pioneering US work of Ottaviano and Peri (2007, 2006) for a British context. The paper makes three useful methodological contributions. First, I develop a rather longer panel than is usual in UK analyses. Second, I look beyond the labour market – identifying both short-term wage and job shocks, and dynamic effects on urban productivity and cost of living. Third, by paying careful attention to space, I estimate migration effects on real urban economies, rather than the administrative units or regions used in many other studies. Framework Wider urban impacts of migration may be productivity-enhancing, if migrants facilitate knowledge spillovers or reduce trade costs (Berliant and Fujita 2009, Saxenian 2006). Net migration leads to higher native productivity, wages and employment rates: crowding raises the local cost of living. Alternatively, parts of the local economy may become ‘migrant-dependent’ (Stenning et al 2006). Net migration damages native employment if lower-skilled natives cannot move into better jobs. If this sustains a low-skills equilibrium (Finegold and Soskice 1988), wages and prices also fall over time. Data and estimation strategy The analysis follows the spatial correlations approach (Card 2005) but has several novel features. I assemble a new 16-year panel of urban economies between 1994 and 2008, using postcode weighting to aggregate microdata from the UK Labour Force Survey, Land Registry and other sources. Unlike most UK studies, I use 2001 Travel to Work Areas as proxy spatial economies, focusing on 79 ‘primary urban’ areas. To measure the size and diversity of migrant populations, I use both migrant population shares and an inverse Herfindahl Index of country of birth groups. I fit a parsimonious two-period model with time dummies and area fixed effects, linking net migration to changes in UK-born average wages, employment rates and house prices. I am able to explore detailed interactions between different skill groups of migrants and natives. The model also allows inference on migrant-related changes in urban labour productivity, since over time, productivity changes are reflected in wage rates (Combes et al 2005). Finally, I run several robustness checks – including tests for native outflows and positive migrant selection (Borjas 1994). The latter test uses a shift-share instrument based on historic migrant settlement patterns. Results The results suggest significant impacts of net migration on urban economies, within and beyond the labour market. Specifically, the diversity migrants bring helps drive up high skill native productivity and wages, implying both production complementarities and relative scarcity effects. Conversely, increasingly migrant-intensive labour markets appear to ‘lock out’ some intermediate and low-skilled British-born workers from employment opportunities, particularly since 2000. ‘Migrants taking British jobs’ is an oversimplification,

however: ongoing impacts of long term industrial decline and the increasing casualisation of entry-level jobs help explain the employment findings.

Gateway D1

INSTITUTIONAL CHANGE IN RURAL AND ENVIRONMENTAL GOVERNANCE IN HUNGARY - A SOCIAL LEARNING PERSPECTIVE

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Chris High, Open University, UK

In this paper we consider environmental governance from the perspective of rural policy in Europe. We are particularly interested in the role of social learning as a mode of governance and its practical performance within what has been defined as the project state (Marsden & Sonnino, 2005; Sjöblom et al., 2006; High & Nemes, 2007). In order to reveal as much as possible about the nature and operation of social learning in practice, we take a broad view of governance in order to compare the way that different modes of governance are institutionalised. We embed this discussion within an empirical examination of environmental governance and rural policy in Hungary during and after its accession to membership of the European Union. This examination contrasts two strands of rural policy that take, agri-environment schemes and the LEADER approach, both of which address the rural environment as a core concern. We offer a comparison through a case study approach, based on ongoing qualitative action research in Hungary. These two streams of programmes represent very different modes of governance, embedding different values and approaches to environmental governance. The changes around accession in Hungary provides an excellent case for understanding institutional change and the implementation of the institutional arrangements needed to accommodate the Hungarian polity within EU procedures highlights aspects of the latter that are perhaps more taken for granted elsewhere. In particular, this puts into stark contrast some of the differences in approach between social learning and other modes of governance.

Gateway D2

THE EFFECT OF THE SOURCE OF IN-MIGRANTS ON THE ENTREPRENEURIAL PROCESS

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Gary Bosworth, University of Lincoln, UK
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Overall, rural areas are growing more slowly than their national economies (OECD, 2006). Factors such as low productivity, wages, educational and skills attainment, and poor infrastructure have created a cycle of decline (Ward and Brown, 2009). However, in some regions the trend of counter-urbanisation has reversed this decline (ibid). Key to this reversal is the economic in-migrant, described as a prerequisite for rural regeneration (Stockdale and Findlay 2004, Stockdale 2006). Individually they achieve outcomes regarded as evidence of entrepreneurial process whereas collectively they create concentrations for development (Atterton et al. 2011). This has led researchers to focus on commercial counter-urbanisation (Bosworth 2010) where the entrepreneurial activity of in-migrants is the locus of research, with entrepreneurs variously defined by self-employment (Stockdale 2006), new venture creation (Keeble 1992) or involvement with a business enterprise (Kalantaridis and Bika 2006). So far academic evidence has been building around the incubation period between in-migrant arrival and business inception (Bosworth 2010), the effect of the new location on entrepreneurial opportunity (Kalantaridis 2010) and the impact of embeddedness on behaviour (Jack and Anderson 2002, Kalantaridis and Bika 2006). Nonetheless, despite clearly understood distinctions in economic and social development between regions, there is a lack of research into the effect of the origin of the in-migrant on the process of entrepreneurial activity. Given regional differences in house prices, salary, educational levels, employment growth (Bishop and Grippaios, 2010) and entrepreneurial activity (GEM 2009) it would seem probable that some source regions will endow the moving in-migrant with higher resources (e.g. financial and human capital) and more effective patterns of learnt entrepreneurial behaviour than others. Using a large scale

data set of (957) rural businesses from a survey conducted in the North East region of England during 2009, this paper addresses this question. More specifically, it categorises commercial counter-urbanisers by their source region and examines whether this has an effect on entrepreneurial behaviour. In doing so, particular attention is given to the reason for start-up, business rationale and aspirations for growth. This paper adds to the current research regarding understandings of commercial counter-urbanisation by emphasising the effect of source location. Given this understanding, policy makers will have a more accurate ability to target marketing initiatives at locations with the greatest potential to provide the most entrepreneurial in-migrants.

Gateway V

LEADERSHIP AND COMPLEXITY IN URBAN POLICY: A CRITICAL ANALYSIS OF THE PRACTICE OF REGENERATION ACTORS IN IMPLEMENTING UK REGENERATION POLICY

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UK Regeneration exists amidst a ‘burgeoning’ literature which states an ongoing desire to improve the outcomes of urban policy (Henderson, Bowlby and Raco 2007). But concerns about the symbolic nature of urban policy leave this aspiration somewhat wanting (Wilks-Heeg 1997, Mossberger and Stoker 1997). Stone (2002) suggests that the gap which exists between intention and outcome creates a policy paradox which is rooted in an overly rational focus on policy goals. What emerges is the contradictory nature of urban policy which is subsequently re-produced in the form of ambiguity and ‘linguistic debates’ (Lees 2003) who’s ‘real’ meaning should be deciphered or ‘unpicked’ using narrative approaches (Harris 2008, Atkinson 2008). However, the suggestion that policy now exists in post modern era of governance (Richards and Smith 2003) leaves such symbolic urban policy goals in a rather complex and woolly context. Indeed, Diamond & Liddle (2005) show how Labour’s Urban Renaissance, with its transformation of urban governance through partnerships and joined up working, has left actors involved in the design, delivery and management of regeneration having to make sense of these new forms of governance. It begs the question, how do actors lead in such complex and chaotic policy environments? (Mabey and Freeman 2010). This paper makes a contribution to the leadership and place debate by offering a critical analysis of the way the actors make sense of complexity in delivering UK regeneration policy. Using Laclau and Mouffe’s (2001) notion of discursive absence or ‘lack’ it is suggested that the presence of three discourses associated with the pursuit of private enterprise, public enterprise and community enterprise, exist in the form of ‘Nodal Points’ corresponding to City Regions; Narrowing the Gap and Community Capacity and are ‘temporarily’ bound together through an array of ‘floating signifiers’ but they each exhibit lack in the form of inherent contradictions and tensions. It is argued that evidence of such lack across all three discourses is evidence of a New Right hegemony which permeates all aspects of social life by commodifying the practice of regeneration as different forms of enterprise in the pursuit of different goals for regeneration. As a result, actors are judged to manage such hegemony using Lacanian notions of affect which sees their practice subsequently shaped and driven by objects of desire, jouissance and fantasy. In seeking to promote the value of critical approaches in analysing the hegemonic nature of power in urban policy, this paper emphasises the importance of leadership at not just the regional level but at the local level too (Collinge & Gibney 2010 p388).

Gateway D1

INTERPRETING RURAL DEVELOPMENT PROJECTS AS NETWORK SYSTEMS

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The Interreg IVA project “Rural development in Scandinavia” (LISA) has 16 partners from Denmark, Norway and Sweden. The project aims at addressing challenges typical to many small communities such as depopulation and unemployment. A key strategy to address these issues has been to increase the level of collaboration between companies, voluntary organizations, inhabitants and authorities towards a development where employment, self support and attractive living are basic elements in a long term trend of economical, ecological and social growth. LISA is a three year project running from June 2009 to May 2012, the total budget is €3.7 million. It is meaningful to view the project as a network development project; it aims at quantitatively increase

relations and strengthen ties between actors. Project such as this can therefore be interpreted through network theory. Network studies and network governance theory has on many occasions successfully been utilized in regional studies over the last decades. However, its relevance for rural development studies has remained more of an open issue. With the introduction of the term “the new rural paradigm” (OECD, 2006; Ward & Brown, 2009), a new approach focusing on local, endogenous processes has been emphasized in terms of rural development. This paradigm and perspective on what rural development is, increases the relevance of doing network studies in rural contexts. We follow this and ask how a project aimed at stimulating local actors in terms of increasing and stimulating existing collaborative pattern best could do this in practice. Even though rural areas can share many significant characteristics in terms of elements that are important in order to succeed with a development project, there are also many factors that make the ‘development rationale’ of a particular place significantly different from another. This paper addresses the issue of which factors to consider when optimizing the design rural development networks. Based on data from the LISA project, we discuss what the ideal overall structure of a rural development network can look like, what the significant factors that constitute a difference in terms of network performance are, and what factors that should be considered in terms of assessing project impacts.

Gateway N

TECHNOLOGICAL INNOVATION AND REGIONAL DEVELOPMENT: A CASE OF OLED VALLEY PROJECT IN YAMAGATA PREFECTURE

Kazuhiro Nozawa, Japan Industrial Location Center, JAPAN

There has been a great deal of interests in regional innovation among local authorities. Many of regional innovation initiatives have been intended endogenous development based on the utilization of the local university • fs knowledge, which have been expected to create knowledge based high-technology cluster. It is pointed out importance of interaction between local actors to encourage innovation in a particular region. In Japan, there have been promoting a variety of knowledge based high-technology cluster projects. OLED (Organic Light-Emitting Diode) Valley Project of Yamagata Prefecture is one of these cluster initiatives. There are electronics and machinery industry agglomeration in Yamagata Prefecture, especially in Yonezawa City. One of characteristics of local economy is branch plant economy that is there are many non-local firms • f assembly plants. Local economy has been suffering from migration and closing of these plants because of strong Yen and catching up East Asia countries. Thus, regional development policy has become endogenous and innovation-oriented one. Local authority planned to regenerate local industry by means of technological seeds of local university as an indigenous resource. OLED was selected because of existence of a prominent scholar of the university and an affinity with electronics industry agglomeration. The project has been conducting since 2002. The intention of the project has been to transfer advanced technology to local firms, and then to create new industry in the region. The main feature of the project is to establish R&D centre of OLED. Many Advanced R&D programmes, which aim to commercialize OLED light panel, were conducted there. The new R&D centre has brought a number of new knowledge, and venture firm started to product OLED light panel. However, in spite of that there are electronics and machinery industry agglomerations in the region, more than half of participants of the centre were non-local large companies. Star professor of local university, who was also president of the R&D centre, is a key person of the project. The professor has contributed to publish 161 patents for 15 years. Analyzing these patents, before 2004, which is at the beginning of producing fruits in the R&D centre, collaboration firms with the professor were 13, which local firms were three and non-local firms were ten. After 2004, collaboration firms with the professor were 12, which locals were one and non-locals were 11. The establishment of the R&D centre less contributed to local firms, rather non-local large firms avails the joint research with the R&D centre. However, in 2008 a venture firm which was financed by four non-local large firms and the professor was established in the region. There are some issues of this innovation activity. First is weak spillover. Because there are many confidential matters in the joint R&D contract between company and the university and R&D capacity of local firms is low, it is not easy to transfer new knowledge to local companies. Second is difficulty of embeddedness of new knowledge in local industry. Even though technological seeds of the local university are presumed as an indigenous resource in the region, the characteristic of high-technology seeds is footloose. Moreover, many of participants of joint research were non-local company, and relationship between the university and companies were in project-based temporal proximity. Therefore, it is difficult to retain high-technology seeds to the region. As considering above these issues, we can see some myths of regional innovation. Firstly, they say that spatial proximity is one of important

conditions of regional innovation. However, spatial proximity does not guarantee to facility of technology transfer especially under the advanced technology R&D. Non-local large firm tend to build craftier relationship with university than local firms. In the R&D of advanced technology, relative and cognitive proximity is more crucial to create new knowledge. Secondly, regional innovation seems to be created among local network. However, innovator must connect with the very best partner anywhere rather than the second best in the same region. Therefore innovator tends to build relationships with partner in other region because there is few particular research partner in the same region. It might be better not so much to stick to relationship among local actors as to stretch network beyond locality. Thirdly, it is said that regional innovation contributes to develop or regenerate regional economy. However, it is not always that regional innovation could bring out regional economic growth because the fruits of regional innovation easily make a move beyond territory. Knowledge creation is not sufficient condition for regional economic development. In order to gain the fruits of innovation in the region, innovation must be converted into production system. In other words, business development as well as technology development is indispensable for growth of local economy.

Gateway J1

LOCAL PUBLIC SERVICE DELIVERY: LEARNING THE LESSONS FROM LOCAL AREA AGREEMENTS

Alexander Nurse, University Of Liverpool, UK

The search for good governance and the effective delivery of local public services is not new (Darlow et al: 2007). Between 2005 and 2011 Local Area Agreements represented the Labour government's vision of how the institutions of local government could be modernised and the level of decision making in policy priorities in a local area increased. They were implemented through a Local Strategic Partnership, intended to be 'the partnerships of partnerships' (Geddes et al: 2007) and involving all the major stakeholders within a local area which was charged with producing a Sustainable Community Strategy (SCS) outlining their vision and aspirations for that area. The LAA was intended as the performance management framework for this partnership and the SCS it produced. This was done through the selection of up to 35 indicators from a suite of 200 national indicators and then setting targets for achievement against those. The agreed LAA was then signed off by Government Office for the Regions, acting on behalf of the Secretary of State. Naturally, questions arise both around the indicator selection process (Nurse and Pemberton 2010), the nature of the role of Government Office and the implementation of the LAA itself once this process is complete. This paper will present some of the early findings from the author's research project which is focusing on these issues, amongst others. Drawing upon interviews conducted with actors on a local and national stage, it will focus on aspects of vertical and horizontal governance that arise from LAA implementation and how these processes impacted on local public service delivery. Under the coalition government, the direction of local public service delivery has changed, moving away from the LAA model. The paper will also provide an early indication how the contributors wished to see service delivery improve and consequently attempt to provide a critical analysis on whether the new measures introduced meet these requirements.

Gateway N

THE LIMITS OF INSTITUTIONAL ACCOUNTS OF INNOVATIVENESS IN THE REGIONAL DEVELOPMENT LITERATURE

Päivi Oinas, University of Turku, FINLAND

This paper considers a number of recent accounts of innovativeness and its importance for regional development (such regional innovation systems; learning regions etc.). It shows that they tend to rely to a considerable extent on principles derived from the institutionalist literatures, proposing various forms of institutional coordination as essential in bringing creative minds in potentially related industries together to produce novelty. The paper will provide evidence of key theoretical ideas from a few central approaches in the past couple of decades, and analyses in detail the types of institutional ideas involved in them. It is argued that theoretisation of innovation in the regional context should explore ways to combine the institutional insights with others more directly

engaging, first, with the nature of the innovation discussed. Technological, product, process, service, design innovation etc. – any of the many types of innovation in existence and studied – need to be understood in much detail in order for theorists to be able to propose explanations of their successful emergence and evolution in particular regional contexts. The paper provides examples of studies that are able to delve into the details of specific innovations and shows how understanding the specifics helps to reveal that the institutional factors so highlighted only explain an aspect of a successful innovation process. Second, such accounts need to explain in more detail the context of the innovative firm(s), to understand the incentives on the one hand and various types of constraint set for innovation on the other. Those cannot be derived from regional conditions only, which is often (if but implicitly) done in the regional development literature. They can be derived from a variety of factors related to the (potentially) innovating firm, such as its competitive situation, its strategy, its financial standing, its partners, and past experiences of innovation-related projects. Third, it is proposed that more telling frameworks to explain processes of innovation and regional development will be generated by building bridges between institutionally informed accounts of factors facilitating innovation processes, the type of innovation, the type of firm, and emerging propositions regarding specific regional industrial structures. (Gateway N; Dawley-Hamdouch)

Gateway D1

THE MICRO REGION AS A SPACE FOR CROSS-BORDER RURAL DEVELOPMENT - LESSONS FROM IRELAND AND SPAIN

Brendan O'Keeffe, University Of Limerick, IRELAND

This paper looks at micro-level collaborations among rural municipalities and communities in Ireland and Spain. It examines the processes that influence and motivate the formation of collaborative structures, and it considers the various approaches pursued. Specifically, the paper draws on case study research on Mancomunidades - inter-municipal structures in Asturias (Spain). It notes that these are formal bodies that enjoy considerable support from the provincial and regional tiers of government, while maintaining the flexibility to promote endogenous rural development. Approaches to collaboration among communities across the border between Ireland and Northern Ireland also emphasise the importance of bottom-up development, but collaboration between local government bodies (county and district councils) is less well-established than in Asturias. The paper seeks to extract lessons from the Asturias experience and it discusses their applicability to the Irish border context.

Gateway R

THE IMPACT OF REGIONAL DEMOGRAPHIC SHIFTS ON THE RESEGREGATION OF U.S. K-12 PUBLIC SCHOOLS: IMPLICATIONS FOR CLOSING THE ACHIEVEMENT GAP

Ogo Okoye-Johnson, California State University, USA

This paper will explore regional development from the perspective of the following conference gateway themes:

1. Communities, civil society and the role of education and the quadruple helix of regional development
2. Inequality, diversity and regional development
3. Social justice and regional development

Regional development is undergoing significant challenges. One of the significant challenges faced by regional development is the demographic shifts that cities are experiencing. The shifts in city demographics exacerbate societal disparities and create viable social justice issues that could be seen in some areas of the field of education based on documented research. The gap between the rich and the poor continues to grow as neighborhoods, cities and regions engage in competition against each other to provide a good quality of life for its residents. As a result, an environment of inequality in a diverse society exists. These gateway themes of communities, civil society and the role of education and the quadruple helix of regional development; inequality, diversity and regional development; and social justice and regional development are examined through a discussion of the resegregation of United States K-12 Public Schools. The analysis of the historical background, policies, regulations, practices and challenges of resegregation in the United States K-12 public schools is critical in understanding the significance of the rising

trend of the resegregation of US K-12 public schools. The demographic shifts in cities that occur as a result of residential preferences and urban development considerably impact the rise in the resegregation of US K-12 public schools. The effects of resegregation on student achievement, with emphasis on under achieving inner-city public schools, and the implications for closing the achievement gap are analyzed in this paper. The impact of the US Supreme Court's ruling on June 28, 2007 eradicating the integration of schools based on students' race on the resegregation of schools and the divergent views of proponents and opponents of resegregation of schools are equally highlighted. The possible implications of resegregation of schools on meeting the requirements for the No Child Left Behind Act of 2001 and the 2010 Race to the Top grant initiatives are discussed. The impact of resegregation of schools on the "Black Educational Civil Rights Agenda" is reviewed. The workshop participants would engage in a critical discussion of the ideas presented.

Gateway O1

SOCIAL ENTREPRENEURSHIP IN CENTRAL AND REGIONAL POLICY IN POLAND

Marian Olinski, University Of Warmia And Mazury In Olsztyn, POLAND

Social economy and social entrepreneurship is an important part of regional policy (especially thanks to European Union funds accessible in Poland). Also in the policy of supporting social entrepreneurship, one of the most important factors is the problem of efficiency of different kinds of support. The funds used on supporting social organizations (for example social co-operatives) should not only bring profits to the people running this kind of business but also it should also be efficient from the public point of view (central or local government in this case is a specific investor interested in efficiency) . The key point is to establish appropriate measures which allow local government to check and to estimate this specific type of investment. This article represents how to check and evaluate public money spend on supporting social organizations and presents scientific research in this area.

Gateway R

SOCIAL CAPITAL AND SCHOOLING ACHIEVEMENT (A MULTILEVEL MODEL ACROSS MEXICAN REGIONS)

Araceli Ortega Díaz, EGAP ITESM (Graduated School of Public Policy of Tec de Monterrey), MEXICO

This research describes the impact that social capital has in schooling achievement of upper middle education, controlling for inputs in the input-process-achievement model using data from ENLACE-EMS test and a National Social Capital Survey which represents three Mexican Regions. ENLACE is a census that test two basic skills: mathematics and reading comprehension and it is a proxy for future performance of the student and the success of the Educational System in Mexico. Using multilevel econometric models to account for the social capital of different regions, and social capitals of schools in those regions, and students performance, we found that schooling achievement not only depend on student individual characteristics, family background and school characteristics, but also in the social capital measured as the active participation of community members where the school is located.

Raquel Ortega-Argilés, Centre For Innovation, Technology and Policy Research, Instituto Superior Técnico, PORTUGAL

Philip McCann, University of Groningen, THE NETHERLANDS

Over the last couple of years the role of smart specialisation has become central to economic development and growth policy-thinking in European circles. Smart specialisation has been highlighted by the European Commission as a central pillar of the Europe 2020 Strategy, as discussed in the recent communication Europe 2020 Flagship Initiative Innovation Union [COM(2010)546] and the The EU Budget Review [COM(2010)700]. The Europe 2020 Strategy is intended to act as an umbrella organizing framework under which all EU policies will operate over the coming decade. In particular, the concept has now been highlighted as a central element in the development of a reformed European Cohesion Policy, which is based on the principles of 'smart growth', 'green growth' and 'inclusive growth'. The way in which a smart specialisation strategy is envisaged to operate as a central theme in a post-2013 reformed EU Cohesion Policy is explained in Regional Policy Contributing to Smart Growth in Europe [COM(2010)553]. Here, the argument is that regions will be required to identify the sectors, the technological domains, or the major arenas of likely competitive advantage, and then to focus their regional policies so as to promote innovation in these fields. In particular, the argument is crucial for the regions which are not on a major science-technology frontier. This agenda derives from the basic smart specialization logic first sketched out by Dominique Foray, along with his co-authors Paul David and Bronwyn Hall, and subsequently by other members of the 'Knowledge for Growth' expert group (2009). The smart specialisation approach largely reflects a regional innovation system logic based on a rigorous self-assessment of a region's knowledge assets, capabilities and competences and the key players between whom knowledge is transferred.. However, there are two particular features of the smart specialisation approach which are distinctive from a standard economic growth model, one of which relates to the system of innovation logics and one of which relates to the system mechanisms. The first distinctive feature of the smart specialisation approach relates to the fundamental logic of the innovation system, and assumes that context matters for the potential technological evolution of the system (knowledge ecology). In other words the potential evolutionary pathways of an innovation system depend on the inherited structures and existing dynamics including the adaptation or even radical transformation of the system. The second distinctive feature of the smart specialization approach relates to the perceived mechanisms by which the strategy operates. The smart specialisation proposers envisage that the identification of the knowledge-intensive areas for potential growth and development are related to the role of certain classes of players (researchers, suppliers, manufacturers and service providers, entrepreneurs, users) and to the public research and industry science links. The players are regarded as being the agents who use their knowledge-acquisition facilities and resources (human capital, ideas, academic and research collaborations) to scan the available local economic and market opportunities, to identify technological and market niches for exploitation, and thereby act as the catalysts for driving the emerging transformation of the economy. From a regional perspective, the smart specialisation approach offers some potential advantages for both understanding the evolutionary nature of regional economies, and also for the design of appropriate policy-making. The smart specialization approach explicitly acknowledges that for reasons of history and hysteresis regions vary not only in terms of their technological and industrial competences, but also in terms of their potential evolutionary trajectories. This militates against recommending off-the-shelf local economic policy solutions and instead requires a careful analysis of regional knowledge capabilities and research competences. However, following a regional innovation systems way of thinking, as well as technological, sectoral, and geographical features, this regional analysis would also necessarily involve a consideration of the local institutional and governance issues which foster or mitigate the diffusion of innovations. While the smart specialisation principles appear clear, translating these principles to regional policy faces two major challenges, one of which is analytical and one of which is empirical. Firstly, it requires a careful analysis of the role of the entrepreneurial agents and catalysts, the relationships between the generation, acquisition and transmission of knowledge and ideas at the geographical level, the regional systems of innovation, and the institutional and multi-level governance frameworks within which such systems operate. Moreover, it requires us to consider how each of these issues also relates to policy. These issues are not at all straightforward, because the interrelationships between institutions, geography and system dynamics vary by location, depending on history and hysteresis. As such, it is essential to clarify an analytical framework for smart specialisation which can be used systematically while allowing for regional variations, thereby avoiding the problem that the strategy simply reduces to a case study approach, without anything which can be generalisable. In terms of the empirical aspects of the smart

specialization strategy, the approach is still so new that very little research has actually been undertaken regarding the relationships between the policy objectives and policy instruments. In a policy context, the major challenges here is therefore the linking inputs, to outputs and then most importantly, to outcomes. As yet there are no clear outcome indicators for the smart specialisation approach, as is made clear by the authors of the strategy themselves (Measuring Smart Specialisation: The Concept and the Need for Indicators, David, P., Foray, D., and Hall, B.) , and remedying this is an urgent issue if the policy is to be successful. This paper aims to achieve two objectives. Firstly we examine the theoretical links between specialisation, innovation and growth in a regional system context. This analysis will allow us to develop a taxonomy of the possible pathways to innovation available in different types of regional contexts. Secondly, on the basis of this taxonomic analysis we will then consider how policy objectives and instruments might be more tightly integrated via the development of appropriate outcome indicators for different levels of governance. The intention here is therefore to provide an organizing framework for dealing with both the theoretical and empirical issues surrounding smart specialisation in an EU regional context.

Gateway B

A SPATIAL ANALYSIS OF THE EFFECTS OF RURAL RESTRUCTURING ON MIGRATION PATTERNS IN THE REPUBLIC OF IRELAND

Shane O'Sullivan, Mary Immaculate College, IRELAND

The rural economy in Ireland has witnessed a remarkable restructuring in its economic base since the early 1990s, attributable to the declining significance of the agricultural sector and the growth of alternative economic activities which include rural tourism, light manufacturing, ICT enterprises and construction. Globalisation plays a crucial role in the transformation of the rural economic base, through increased interconnectivity, incorporating both the movement of people and capital, between different regions throughout the globe. This has enabled the emergence of new terminology to describe the phenomenon, which includes the global countryside, the new countryside, the rural renaissance and the urbanisation of the rural. In tandem with globalisation, there has been a remarkable period of change within the global agricultural sector. Ireland has witnessed a period of substantive structural change corresponding to both the productivist and post-productivist transitions. This has entailed a contraction in the number of people engaged in farming, whereby the number of agricultural holdings has decreased by 44,400 between 1991 and 2007 (CSO, 2008). The restructuring of the rural economy has been a geographically uneven process due to the magnitude of the adjustments within the agricultural sector varying from region to region. In turn, a multi-tiered rural space has become evident in Ireland, with certain regions have thrived in comparison to others. The more progressive and affluent regions, particularly those which provide employment opportunities, have benefited demographically due to inward migration. Even though, the severe recession in Ireland has dramatically reduced the number of immigrants arriving into Ireland, there still remains a sizeable spatial distribution throughout the country, in both urban and rural areas. On examining the distribution of foreign nationals throughout Ireland, there is a notable spatial pattern amongst East European migrants (particularly Polish and Lithuanian) and UK migrants, with these more likely to reside in rural areas rather than within urban centres. In recent years, rural Ireland has witnessed a dramatic transformation in its population structure, due to the inflow of a large number of immigrants. According to the most recent census, Co. Monaghan's population consisted of approximately 3% Lithuanian and 1.1% Latvian migrants. East European migrants tend to settle in areas where there is a dominant industry, with it generally being classified as low skilled employment. One notable example is the tourism and hospitality sector, with 35% of the workforce being foreign nationals (CSO, 2009). The economic benefits / impacts of rural immigration remain a rather overlooked topic within contemporary academic literature in Ireland, although it plays a crucial role in stimulating demographic and employment growth. Rural immigration has been shown to provide a positive role in strengthening the labour market within Scotland, whereby rural migrants have initiated a jobs multiplier effect of 0.77 with regard to new employment (Findlay, et al., 2000). This employment growth is crucial for the social and economic sustainability of rural areas, as it allows for the retention and expansion of services within the community. It is important to identify whether a similar employment multiplier effect has occurred within contemporary rural Ireland, by adopting a case study approach. The selection of two contrasting cases in respect to the spatial distribution of migrants, specifically Counties Monaghan and North Tipperary, will enable the researcher to engage in a thorough, controlled analysis of this research topic. This paper will highlight and analyse spatial patterns of rural in-migration and present preliminary insights on the affects for rural in-migration in the case study area of County Monaghan.

COHESION OR MODERNISATION. REGIONS/CITIES OR CENTRAL GOVERNMENT? CENTRAL AND EASTERN EUROPEAN DILEMMAS CONCERNING STRUCTURAL FUNDS**Ilona Pálné Kovács, Centre For Regional Studies, HAS,**

Cohesion or modernisation. Regions/cities or central government? Central and Eastern European dilemmas concerning Structural Funds Prof. Ilona Pálné Kovács Centre for Regional Studies, HAS Pécs The polarisation of economy and settlement structure accompanied by social differentiation, with poverty concentrating rather in backward, peripheral rural areas are common features of Central and Eastern Europe. Starting from an originally worse economic situation, the relatively rapid economic development in the new member states was concentrated in the capital cities and in their immediate surroundings and therefore enabled them to compete internationally. This led to deepening regional disparities and to lessening resources for catching up of the “rest” of the country. Thus Central-Eastern European new member states are suffering from much sharper regional polarisation (Blokker-Dallago, 2009). The role of the Structural Funds is much more dominant in the new member states that have insufficient domestic resources to cope with the parallel challenges of nation-wide modernisation and of territorial equalisation (Bachtler, 2001) and therefore this European policy has the most crucial impact on structure, scale, set and networks of actors of territorial public administration. We can state that the EU’s regional policy has proved its crucial motivation for modernising national public administrations in the sense of regionalism, managerialism, partnership or more flexible governance. The paper deals with dilemma whether the focused mission of Structural Funds in CEE would require centralised or regionalised management system based on experiences of using SF so far since the adaptation of Eastern European countries has been moving on in fairly contradictory way. The forms and scales of public administration are already Euro-conform, but the content is more similar to the Eastern political culture. Generally, the partnership and regionalism were used as tools rather than targets in Eastern-Central-European politics. They became tools of centralization and resource distribution alongside clique interests, bypassing the directly elected self-government bodies and the publicity. The dilemma will be projected also into the future European (territorial) cohesion policy which seems to be more „place-based”. It seems however that this challenge will be hardly solved in CEE because of the rigid and centralised public administrative system having not learned too much from the European „lessons”. The expectations concerning the European accession were closely linked with regional decentralisation arguing that regions are eligible to the European Structural Funds. Consequently it was a real shock the extent to which the regional actors were excluded from the domestic management of the Structural Funds. The author provides arguments and evidences from her research results on management of SF and public administrative reforms in CEE in general but more detailed in Hungary. The aim is not just introducing the design and rescaling of territorial public administration in CEE but rather putting the question on the table: whether the regionalised, neoliberal agenda is feasible in CEE or this region has a special path determined by the past, culture etc. This question is strongly interrelated with the Europeanisation process as a convergence of the governance system in the member states.

COOPERATION, COMPETITION, CO-OPETITION: A CONCEPTUALIZATION OF NETWORK BRAND**Cecilia Pasquinelli, Scuola Superiore Sant'Anna - Lab MAIN, ITALY**

Place branding relies on the assumption of competition among territories, which seems to be the overall approach to place management. Competition involves not only cities but also provinces, nations, states, villages and supra-national regions. However, there is room for sustaining that competition is not an exhaustive key for understanding regional development and, consequently, for interpreting place marketing and branding. Within the frame of competition, regions and local areas may seek inter-territorial cooperation in order to enrich their offer and enhance their competitiveness. In this regard, a gap in place branding and marketing literature is found and this paper contributes to filling it by proposing a conceptualization of “network brand”. Assuming a relational perspective, the project identifies the network as the unit of analysis. This is composed of two or more nodes i.e. local and regional governmental authorities, arranging cooperation on a voluntary basis. Accordingly, place branding is grounded in a framework based not only on competition, but also on cooperation and co-

opetition rationales. In line with business networks literature, co-opetition refers to the benefits that may come from undertaking cooperation and competition simultaneously with actors belonging to the value chain including competitors. Along with the discussion on territorial competition, cooperation and co-opetition, two exploratory hypotheses will be tested concerning the nature of a network brand and the likely process leading to its development: 1st Hypthesis: the network brand (or inter-territorial brand) is “post-modern” in nature since it tends to rely on the so called “post-modern identity” i.e. ever changing and open to multiplicity, resulting from on-going negotiations emerging in the space of the network. 2nd Hypothesis: network and network brand building is a pragmatic process i.e. inspired by market principles (the search for critical mass and appropriate size to face global competition, reduction of marketing costs, growth opportunities, transformation and change), rather than being a political process i.e. highly related to power game emerging within and among the involved territories. To discuss these two working hypotheses, a secondary research was carried out by reviewing 12 inter-territorial network cases. These cases suggest, firstly, that the shared (network) identity does not necessarily have the characteristics of a post-modern identity. That is, instead of producing a new narrative coming from on-going negotiations and exchange among the nodes of the network, the inter-territorial brand may refer to the past as a source of identity, for example by recalling a time when the network space was a region contained within political and administrative borders. In this case, the narrative of a “unitary past” is used to provide the network brand with authenticity which is considered as a possible way of fostering brand legitimization. Secondly, beside pragmatism which seems to lay a foundation for cooperation, the political dimension of networking is not to be overlooked. In some of the analysed cases it is evident that closed administrative boundaries keep containing the relevant political arena. The cases show that, when individual nodes keep being the containers of political authority, the legitimization of both network and network brand risks being weak and fragile along with their effectiveness. These results shed light on the identity-building and the network-building processes. The provided insight may help network managers to understand how to design appropriate branding strategies by taking into account opportunities and likely pitfalls alongside the branding process. This exploratory insight in the field of network brands is beneficial to the debate on place management and place branding for two main reasons. In light of global economic downturn, there is a need to enhance distinctiveness and reduce replicability of territorial competitive advantage and, accordingly, of territorial brand. Second, there is a need to pool resources in order to face marketing and branding costs and, thus, to be “on the map” more efficiently. In fact, competition is becoming much tougher as a consequence of the global crisis reducing both investment projects and public expenditure capacity worldwide. A cooperative approach to regional development and, accordingly, to place branding is here suggested as a suitable strategy to increase territorial competitiveness. However, the exploratory efforts which are presented in this paper are not enough to clarify the multifaceted nature of network brand. Accordingly, further research is to be carried out in order to test and discuss these hypotheses in a wider and dedicated empirical framework.

Gateway P2

TRANS-REGIONAL CONNECTIVITY IN THE NORTH AND BALTIC SEA SUPPLY CHAINS

Michael Pearson, Edinburgh Napier University, UK

In the past twenty years, there has been a constantly increasing interest shown by the European Union on issues concerning the collaboration of firms from different member states. For instance, the creation of the Official Journal of the European Union (OJEU), which advertises public sector contracts from EU local authorities, and the implementation of the Tender Electronic Daily (TED) web platform represent an attempt at increasing the level of cooperation and exchange especially among small and medium enterprises (SMEs) across Europe. Similar efforts have been made also in the private sector, where several operations have been moved online, including some significant purchasing functions and procedures. The expansion of so called e-tools (e-bidding, e-purchasing and e-procurement) has significantly enlarged the market for European firms, which now are more likely to engage with partners and companies operating outside their regions. This increased level of commercial and business interchanges, however, has also modified the way firms and companies relate to each other, by amplifying the importance of aspects such as knowledge transfer, innovation and information, research and development, and business reputation. In addition, the current economic climate has exacerbated the level of competition among firms, by reducing the number of financial opportunities from a number of stakeholders (e.g. public sector bodies) and by increasing the need for firms to find suitable and trustworthy partners for collaboration and joint development. In such a situation, firms are forced to spend significant resources for

competing in markets which present constantly rising risks, and many of them struggle to survive. We describe and illustrate two European Union funded projects which aim to support firms involved within the North Sea and the Baltic Sea supply chains. These projects are North Sea Supply Connect (NSSC <http://www.northsearegion.eu/ivb/projects/details/&tid=109>) and Baltic Supply (BS <http://www.balticsupply.eu/>). The two projects focus on firms and companies operating in three specific markets: Maritime, Health and Food, and Energy. The authors seek to provide an overview of these two projects by introducing their aims and scopes, illustrating their development strategies and presenting the potential outcomes associated with them. Particular attention will be given to the opportunities of interregional partnerships that these projects intend to create among the SMEs and OEMs (Original Equipment Manufacturers) associated with the twenty nine partners involved in the projects. The objectives of the North Sea Supply Connect and Baltic Supply projects are to build economic bridges between the North Sea and Baltic Sea regions by supporting SMEs in taking advantage of the growing supply markets in north east Europe. The projects aim to achieve this by establishing innovative institutions and instruments for regional development agencies, SME associations, chambers of commerce and Original Equipment Manufacturers. It is hoped that this will motivate entrepreneurs to join new business networks and hence establish structures for interregional collaboration. Following the identification of key innovative clusters of industries in energy, food and health and maritime activity the project is in the process of gathering information on industry specific supply markets for incorporation into company registers and the establishment of a virtual innovation and tendering environment. The promotion of SME activities is a key responsibility of Business Development Organizations and Regional Development Agencies. It is expected that cross regional cooperation and interlinked services between these organizations will add leverage to the current approach. An Internet based platform should enhance existing services and also enable new tools and methods. We examine ways of approaching the design and establishment of the business development platform (BDP). One approach is to use the existing structures within the project partnership and utilise and integrate these in a combined organization with a central host for the business development platform and de-central service delivery units provided by dedicated partner organisations. This organisational approach is called a “hub-and-spoke” model. We also look at ways in which SMEs can improve their chances of connectivity through the use of a self-assessment tool which assists the companies who use it to identify weaknesses in complying with OEM standards and improving their likelihood of entering into the supply chain.

Gateway Q1

CULTURE- AND EXPERIENCE SPACES ROLES AND OPPORTUNITIES IN A COLLABORATION BETWEEN MUNICIPALITIES

Michael Thyrrstrup Pedersen, Aalborg University, DENMARK

The contextual background of this paper is a cultural collaboration between four municipalities located in the centre of Jutland (Horsens, Randers, Silkeborg and Viborg). In the matter of culture, small cities are in competition with other cities in and outside their own region, especially on the specialized experiences. This competition is scaling from intra- and interregional to international level. In the light of this, there is an increasing need for small cities and collaborations of small cities to think about their roles and opportunities in the culture and experience spaces. In this new situation, problems of different approaches to culture, cultural politics and cultural planning are imbedded. In this context, questions of cultural identity and the competition between cultural regions and cities, arises. The analysis provides an overview of the development of Danish cultural politics in a local, national and international perspective. On a national to local level, the scale of culture politics can be described as both vertical and horizontal. On the vertical scale the state affects culture politics of the municipalities, by setting the frames for the money pools available. The horizontal level could be described as an interaction between equal actors. Furthermore, it would be possible to identify a spatial scale which describes the culture spaces, where the politics are confirmed. The comparison on the different scales results in a broader perspective in the thinking of culture, which might end up in a rethinking of the applied cultural politics of a certain cultural region. The results of this paper will be a general overview of the development of cultural politics in Denmark and in the cultural collaboration between the municipalities. Also it is a step closer to a definition of a scale of culture- and experience spaces, suitable for analysing the municipalities.

PERCEPTION OF EUROPE IN THE WORLD BY PORTUGUESE AND ROMANIAN GRADUATED STUDENTS - DOES MENTAL BARRIERS EXISTS?

Ana Rita Pedro, University of Lisbon, PORTUGAL

Eduarda Marques da Costa, University of Lisbon, PORTUGAL

Oana Stoleriu, University Alexandru Ioan Cuza (UAIC), ROMANIA

The present presentation is inserted in the problematic of perception of the European space in the world, not only as a physic entity but also as an economical and socio-cultural one, according to the vision of the graduated students in Portugal and in Romania. Also intends to validate how the experiences of life and the socioeconomic status of this population determine its vision of a territory. This study appears in the context of the EuroBroadMap project (Vision of Europe in the World), approved in the 7th framework Program, with the duration of January of 2009 to December of 2011. The project has as central objective to understand the situation of Europe in the World supported in two dimensions: position of Europe in the World in terms of commercial, migratory and foreign investment flows (quantitative approach); and a qualitative approach, centered in migratory routes and in the analysis of the perception of the graduated students, and here presented. The choice of Portugal and of Romania is due to the peripheral position of both countries and because are members of the same project. The work is based on a questionnaire done in several universities in the two countries in study, the cities for the application of the questionnaires were chosen according to the size and polarization area (national and regional) of these university centers. In Portugal the questionnaire was applied to 480 students in three Portuguese cities (Lisbon (240), Coimbra (120) and Évora (120) and in Romania was applied to 439 students in two cities (Bucharest (240) and Iasi (199)) and respectively in different domains of study (Social sciences, Politic Sciences, economical Sciences and domains of the Engineering, Health and Arts). In order to understand the visions of the students were analyzed important variables in the explanation of the visions. The analyses demonstrate that the different perceptions and the felling of belonging of those students have a relation with the gender, language, nationality, domain of study, etc. The differences of perception between countries, has also as base the socioeconomic status associated and the personal experience of the person (through the number of travels made, temporary family migration or study in universities out of the country). Some brief conclusions could be highlighted. The spatial mobility of the families is more high in Portugal than in Romania (7,3% of students are not born in Portugal against 2.96 % in Romania) fact explained by the tradition of Portugal as migratory country. However in general the Romanians speak more languages than Portuguese students (the 76,9% speak between 2 and 3 languages while 71% of the Romanian students speak between 3 and more languages). In Portugal the students travel more than in Romania, and the number of students that never have visited other country at all is also bigger in Romania. Maybe because of that, in Portugal the majority of the students have a feeling of belonging associated to the global and after to the local space, and in Romania the students belong more often to the national and after to the global level. In both countries the gender and the domain of study is an important variable that explain the feeling of belonging of the students, however in Portugal other variables are important as the spatial mobility and the income. The level of income as an important variable in the analysis, show that in Portugal the majority of students belongs to the medium-high level of income, while in Romania most of these belongs to low-medium and low. In Portugal and in Romania the travels destinations have an emphasis to the neighbor countries, but the majority of destinations are in general the same for both countries (France, Italy, Spain) however also those countries are the destinies of students that previously lived in other countries. For living in the future, the students of both countries chose in general the same countries with a different position, a majority of students in Portugal chose Great Britain as the first place where they would like to live, in Romania this country is France. With the countries in which they wouldn't like to live the image is the same but in Romania the most unloved countries are in the neighborhoods (Russia) and in Portugal the first places are divided between Iraq and China. In general we can deduct that in the both countries in fact exist more a mental border for the Europe than a physical one, associated to the concept of European Union and to identity feeling of belonging to that community.

Manfred Perlik, ETH Zurich, SWITZERLAND

Metropolitan neighborhoods in the mountains: The Alpine gentrification In comparing the global tendencies of amenity-led migration, far commuting and multilocal dwelling especially in Europe and North America, the paper tries to add new knowledge concerning the driving forces of new migrants to the mountains. Since the late 1990s one can observe a revaluation of the European town linked with a debate about densification, urban sprawl and demands for more wilderness in the European mountains. But periurbanisation has not been stopped and the attractive mountain areas have enlarged their zones of constructible land. Several bigger resort project are under construction or planned. Is this a contradiction? This paper argues that it's the same coin with its two sides: On the one hand, the globally tertiarised metropolitan economies attract an international workforce who populates urban cores and enlarges periurban zones while displacing local population and manufacturing enterprises into the peripheries. On the other hand accessible and attractive mountainous regions turn from tourist to residential regions for an urban clientele which mainly commutes to bigger agglomerations outside the mountains or is only temporary present in the form of "recreational commuting" (Arnesen, 2009). The mountains become functionally integrated into "their" metropolitan region as urban neighborhoods. This leads to the statement that the new preference for "nature" is not a revaluation of the rural but an urban phenomenon. What should be bad on it? It will be argued that metropolisation perpetuates and aggravates uneven spatial development in a postfordist-specific form. It is not so much the mere wealth in terms of GDP which causes the problem (residential areas might gain profit by a high purchase power of new migrants). It is rather the degradation of existing territorial capital which constitutes the main risk (the displacement of locally embedded production systems). By the externally driven appropriation of landscapes as new commodities (without the detour via the tourism industry, with less possibility for autochthone skills and activities) the mountainous regions miss the chance to develop their own path of urbanization. There is a high probability that they lose old embedded knowledge without getting new one for long. Contrariwise second-rate metropolises may ameliorate their attractiveness by the environmental and cultural assets of near mountains so that they are able to keep hold of their significance in the urban hierarchy. At this level, a certain polycentricity might be maintained. In any case, the spatial arrangements are modifiable as they are configrated by local constellations of actors and national regimes of accumulation and modes of regulation. The presentation uses case studies from metropolitan and peripheral Switzerland based on the analysis of municipal data interpreted in a regulationist approach.

Andy Pike, CURDS, Newcastle University, UK**John Tomaney, CURDS, Newcastle University, UK****Anja McCarthy, CURDS, Newcastle University, UK****Mike Coombes, CURDS, Newcastle University, UK**

A dramatic reorganisation of local and regional development is currently underway in England. Here, we attempt to interpret its politics and emerging shape and significance by using the idea of the 'qualitative state' to discern the evolving roles, structures, strategies and practices of states in attempting to resolve the governance of uneven development. First, we outline briefly where New Labour's 'New Regional Policy' had got to by the time of the Sub-National Review of Economic Development and Regeneration in 2007. In the wake of a faltering regionalisation and regionalism, this period was marked by a vacuum into which an array of rival 'spatial imaginaries' had flowed – including pan-regions, city-regions and localisms. Second, we analyse the national and regional political changes since 2007 that culminated in the election of a Conservative-Liberal Democrat coalition government in May 2010 and their project for public deficit reduction and shrinking the state. Third, we document the politics of this cuts agenda through Ministerial turf wars and the rationalisation within central government departments responsible for regional and local policy. This period has involved the critique and wholesale dismantling of New Labour's 'New Regional Policy' including the abolition of regional spatial strategies, winding up of the RDAs and closure of Government Regional Offices. Last, in the context of the economic downturn and recovery, we examine the coalition government's emergent strategy for

‘rebalancing’ the economy sectorally (from public to private, services to manufacturing) and geographically in asserting the role of local areas in facilitating private sector growth to narrow spatial disparities in prosperity. We scrutinise the emergent plans for spatial economic policy including the centralisation of functions (e.g. ‘Regional Growth Fund’, business support and FDI) and the localism of the invitation for local authorities and businesses to propose ‘Local Enterprise Partnerships’. Following what has turned out to be a short-lived episode of a particular kind of nationally-oriented regional economic policy between 1998-2010, the emergent spatial economic policy in England appears marked by an uneasy concoction of national aspirations, centralised powers and fragmented localism. In an era of austerity and state rationalisation that is leading some to question the very existence of spatial economic policy, whether such arrangements will be capable of engaging uneven development in meaningful ways appears highly unlikely.

Gateway P

MODERN PAC-MEN FED BY THE SYMBOLIC KNOWLEDGE BASE? KNOWLEDGE NETWORKING AND INNOVATION PROCESSES OF HAMBURG'S VIDEO GAME DEVELOPERS

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Due to its growing economic power, creative industries have climbed scholars’ and policymakers’ agendas in recent years. However, in comparison to a high number of cluster studies on rather traditional industries, systematic research on knowledge production and innovation processes in creative industry clusters is still underrepresented. This paper aims at filling this gap by investigating Hamburg’s video game industry out of a knowledge base perspective. Due to the high relevance of creative knowledge assets that is often combined within temporary project settings, it is assumed that innovation processes of these firms rely primarily on the symbolic knowledge base. Social network analyses (SNA) and complementary descriptive statistics based on standardised firm interviews are used to test postulated characteristics of knowledge sourcing and innovation processes with reference to the symbolic knowledge base. The paper concludes that Hamburg’s video game developers basically show the typical characteristics of an industry which relies on the symbolic knowledge base. Nevertheless, synthetic knowledge assets are frequently used as complementary inputs in order to bring product innovations to the market. Key words: Knowledge bases, knowledge sourcing, innovation process, social network analysis, video game industry, Hamburg, Germany

Gateway M1

EMERGING REGIONAL PLANNING STRUCTURES IN TURKEY: LIMITS AND CHALLENGES

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While developed economies have been experiencing renaissance of regional planning and development, Turkey faces with revolutionary pressures in regional policy making compared to developed countries, yet these radical changes still fall behind the recent renaissance. Especially with the effects of the dynamics of globalisation and localisation, social, economic, cultural, special and political settlements has become into a state of flux and crucial changes have been experienced in terms of the conceptualisation of regional development, structure of regional planning, and implementation of regional policies. Network systems, flexible production and organisation, new locality, competitiveness, border erosion, knowledge co-production, innovation and global crises are among the most crucial outcomes. With the corollary of these processes, radical transformations both in the regional development policies and in the structures of regional planning in Turkey are being experienced. In this process, it is quite difficult to claim that understanding of regional development and planning in Turkey follow a uniform and consistent path. Instead, Turkish economy may be characterised by regional disparities. The basic policy aim is shaped according to the geographical span of the country that creates disadvantages in terms of natural factors such as the lay and climate conditions when moved from west to east, the unequal distribution of population, the fact that the economy is at the development phase, and the regional disparities,

however national and regional planning approach could not go beyond the Keynesian-fordist region perception. The unfavourable experiences in the past, the role of the government and the inadequacies in governmental intervention, the existence of bottlenecks, complications in planning hierarchy, unclear definition of the term of region, floating policy or instability of development plans, the lack of an applied regional plan experience, the unclearness of sectoral and active policy tools and development hierarchy, the state of internationalisation, political and economic instabilities, a non-functioning system of statistics, policies that cause immiserizing growth etc. are crucial reasons of this failure. The regional planning and development policies in Turkey that have been shaped according to social and political factors, rather than economic ones, were first brought to agenda in 1963 and five-year national development plans were prepared following the 'planned period'. Although some 'in the strict sense traditional regional policy' applications based on promotion factors were made in 1970s and 1980s, the sustainability of de facto applications could not be maintained following the 1980s because of macroeconomic instabilities. Unlike European countries Turkey was not in search of a harmonisation with global developments in 1990s. The transition into modern regional policies was hardly initiated in 2000s after the initiation of EU accession period. In 2003, the 2004 - 2006 Preliminary National Development Plan - pNDP that encompasses all the regions was prepared in order to form a strategic frame for the pre-EU accession period financial aids. The 9th Development Plan is prepared for 7 years in order for efficiency and EU programming period total harmonisation. However, because of the lack of operational planning tradition, the formation of new regional policies, funding, application coordination and organisation dimensions persist to be the weaknesses of planning in Turkey. In 2002, as seven geographical regions are too large for economic and infrastructural investments of Turkey and as the provinces are tiny, the NUTS II level regions that constitute an optimum geographical scale were determined and came into force. In order to create local programming and implementation capacity the first step for establishing regional development agencies on the basis of NUTS II was taken in 2006; but concerns and discussions on both theoretical and functional functions of the Agencies are still lasting. The effects of the EU and internationalisation, the democratisation of Turkey, the use of new planning and development tools, the help of technological developments to planning, and the changes in legislation (laws of municipality, special provincial administration and RDA) illustrate recent transformation of regional planning. The deblurring of the basic term of 'region', the development of original and active policies and plans for each region, the enabling of Agencies, removal of floating development policy of its instabilities, the deblurring of enforcement units, ensuring the consistency of aims and priorities, the formation of sectoral strategies, the accurate assessing of regional externalities, the relevant and efficient use of public incentives, and the fulfilment of new reforms and regulations would make this transformation meaningful for Turkey. This study, inspired by this chaotic but improving environment, tries to scrutinize and categorize the recent changes in regional planning in Turkey. To do this, first we examine the evolution of regional planning understanding in Turkey. Second, the radical changes in regional planning stemmed from EU acquis and relatively higher growth rates are discussed. Lastly we try to identify the bottlenecks which Turkey faces due to heavy and intensive reforms in the field of regional policy making.

Gateway OI

REGULATING ENTREPRENEURIALISM: CONTEXT, ROUTINES AND MANAGERIAL PRACTICES

Jane Pollard, Newcastle University, UK

There are widespread and longstanding concerns about the appropriate level and forms of regulation (defined as state sponsored instruments of social, legal and economic control) and their relationship with innovation and entrepreneurship. Although recent research has exploded some of the myths surrounding small firms and their regulatory 'burden', there is a need for qualitative and longitudinal analyses of how managerial practices are shaped by regulation in different contexts. This paper reports on an ESRC funded project that explores how UK entrepreneurs in different spatial and sectoral contexts perceive, comprehend and 'deal with' regulations that shape the innovativeness and competitiveness of the firm. Drawing on literatures in Economic Geography, Sociology, Management, Organisation Studies and Industrial Relations, we critique acontextual conceptualisations of firms and outline a multi-method qualitative and longitudinal approach to understanding the temporal, spatial and market contexts in which small firms internalise regulatory initiatives. Such an approach allows us to explore the spatiality and temporality of how managers respond to regulation, (including wide-ranging and longer term effects of regulation, its unforeseen and informal effects and sectoral variations in firm behaviour) and to build on previous ethnographies to interrogate the complex and diverse motivations,

routines and behaviours driving managerial action and inaction. More broadly, we engage with scholarship on small firm and entrepreneurial behaviour that is developing more socialised, situated and relational characterisations of managerial behaviour.

Gateway U

INTEGRATED DEVELOPMENT STRATEGIES PATIENT PAPERS OR POWERFUL PLANS?

Kim Pollermann, Johann Heinrich Von Thünen-Institut, GERMANY

An integrated approach seems to contribute more to a highly complex task like influencing rural development than approaches focussed solely on different sectors. That's why 'Integrated Rural Development' became a buzzword and accordant planning processes work with 'Integrated Development Strategies.' However a generally well known problem is a gap between the written plan and its implementation in the real world. This raises the question of how a plan should be created and what should be included to generate a real influence. With regard to the creation of the plans, a participatory approach favours the identification of the actors with the content and can already initiate some kind of team building and mobilisation. Crucial is that the strategy fits to the needs of the region and the intentions of the stakeholders (what they want to achieve with such an instrument). Beyond this, every plan especially has to face two different questions: What do we want and how this can be implemented? Regarding the planning content ('what') it is obvious that the strategy should be as detailed as necessary to analyse the problems of the region and provide assistance in setting priorities. But it shouldn't go too much into detail (of course depending on the specific task), because the effort in making the plan can be too capacious and there is the risk that nobody will really read it. Another aspect is that in general it is easier to hide conflicts in a vague wording, this helps to create a consensus and favours the function as a common vision, but of course it is less helpful as a real steering aid. In fact therefore a major challenge is the translation of good sounding aims to measurable goals. A problem connected with the 'how' is the degree of binding character. Usually there only can be self-binding without any statutory authority, so the strategies can only be a guideline. This provides a high level of flexibility, but can also lead to some form of arbitrariness. Altogether this raises the question of whether Integrated Development Strategies generate really great impacts in practice (=powerful plan) or if their main outcome is only paper, which will wait patiently in the drawer. For that purpose results of the evaluation of LEADER (part of European Rural Development Programmes) are taken as an example to discuss this question. LEADER functions as a bottom-up oriented, participatory approach in rural areas. Mainly these collaborations deal with tourism, diversification of rural economy, agriculture, environmental matters, demographic change and quality of life. Organisational structures with own budgets are established in every LEADER-region. Therefore different stakeholders come together in a Local Action Group (LAG) as a kind of a public-private partnership and make decisions about the financial support for projects. One crucial basis for these decisions is an 'Integrated Development Strategy,' which has to be included in the general application for this funding scheme. So an Integrated Development Strategy is a central condition. A main task of these strategies is a cross-sectoral approach to rural issues and the utilisation of the specific endogenous potentials, including natural and cultural specialities of the individual region. Several results from an evaluation in seven federal states in Germany can be used to explore the role of Integrated Development Strategies in the context of LEADER. In this context different methods have been executed. Beyond the analysis of the Integrated Development Strategies, two written questionnaires served as important sources of information. The first is a survey for LAG-members which was used in around 100 LEADER-Regions (altogether 1500 LAG-Members answered) and the second was a survey of the LAG-Managers of these regions. These managers are the main organisational workers for the implementation of the strategy. Quite different results in matters of the Integrated Development Strategies will be presented: aspects like „possibilities for all interested persons to participate”; “identification of strengths, weaknesses and development potentials,” or “basis for setting priorities” were rated positively by the respondents. The “basis for measuring their goals” was rated as less beneficial. Looking at differences regarding the success of implementation in the varied fields of action from the development strategies the estimations were clear: especially successful was tourism and with far fewer nominations, some aspects of quality of life. Rather low are often the implementations for agriculture, economy and environmental fields. It was also evident that in some spheres of activity (defined in the strategies by the regions themselves), there were no implementations at all. One reason was that the projects have to overcome two hurdles: first the fitting to the strategy and second the fitting to funding conditions, in some fields, like

tourism, both are easy, but especially for innovative projects it is not always possible to overcome the second hurdle. Thus the real implementation was not as cross-sectoral as the written plans.

Gateway S

REFLECTIONS OF A DODO: THE CHOICE BETWEEN SPECIALISATION AND SHIFTING CAPACITY

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The idiosyncratic political economy of the European Union has been traditionally based on the implicit principle of symmetric representation of Member States' interests in Community policies. In consistence with this principle the main instrument of EU research policy, the Framework Programme, has been designed to avoid a priori national or sectoral biases in the allocation of funding. To that effect the Framework Programmes aim at supporting 'precompetitive' research, tend to adopt a very broad, and rather neutral, priority setting and follow a centralised project selection procedure based on the evaluation of the merits of the applications for funding. This tendency has come as a backlash to 'national champions' policies implemented by several European countries in the broader state protectionist context of the 50s and 60s with detrimental effects on the competitiveness of European national economies (Peterson and Sharp, 1998:5). The changing shape of the Union itself and unease about Europe's diminishing role in the global S&T arena are now being employed as arguments in favour of shifting away from the traditional programmatic 'neutrality' of EU research policy towards an increasing regional and sectoral 'directionality' of its instruments: These include policy proposals for "specialisation" (CEC, 2007; Barroso, 2009) or "smart specialisation" (Foray and Van Ark, 2007; Foray et al. 2009; Soete et al., 2009), which occupy a prominent place in the Commission's 'Innovation Union' initiative. The argument is frequently built on assessments of excessive duplication and unexploited scale economies. The paper begins with a review of the theoretical expectations attached to policies favouring specialisation, highlighting potential conflicts between distributional directionality and other stated aims of EU RTD policy. In addition to their adverse effects on cohesion, we emphasise the potential for such policies to lessen Europe's long-term responsiveness to emerging and future technoeconomic paradigms: what we refer as its 'shifting capacity'. We then review the evidence record and find that many of the claims commonly used to support the case for specialisation do not hold up to close scrutiny: First, duplication is not as much of a problem nor as prevalent as is frequently alleged. Second, insights from the statistical distributions of economically significant innovations, among others, cast serious doubt on the assumption of unexploited scale economies. Third, in a panel analysis (EU27, 1995-2005) of the emergence of national technological capabilities in ICT and Biotech, we show that, all other things equal, it is dispersion, not specialisation that maximises shifting capacity. Using the insights gleaned above and drawing from welfare economics, we outline a set of specific conditions that could justify specialisation policies at various levels of governance. We propose that these conditions, and their corollaries, could be readily used as a heuristic in policy design. Our intuitive expectation is that, given the EU's current institutional configuration, these conditions could be met in only a limited number of cases but also that returns to specialisation in those cases can be substantial, at least in the short term. We conclude with a call for research that uncovers the specific contexts where such conditions are met and for policies that consciously nurture the shifting capacity of European research and innovation systems.

Gateway R

PARTNERSHIP PRINCIPLE AND SUSTAINABILITY

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Introduction: The Structural Funds assistance is oriented to start long-term activities. There are some cases, when applicants and final beneficiaries cannot sustain activities after the realization of the assisted project. Even, sometimes they do not intend to continue with activities after getting the whole subsidy. The

sustainability is important for achieving long-term impacts of the Structural Funds assistance. The research question in this paper is whether projects realized with partners have a chance to be more sustainable in comparison with projects without any partner. Methods: The paper is based on a field research of the European Social Funds' projects in the Czech Republic. In autumn 2010, we invited 8456 applicants of the Operational Programme Human Resources and Employment to fill in a specialized questionnaire. We obtained responses from 979 respondents, who realized projects assisted by ESF. The responses concerning sustainability were collected from 501 projects without any partner and 120 projects with partners. We also tested the situation of CIP EQUAL projects from the programming period 2000 – 2006 in the Czech Republic. It enabled us to see the actual situation of those projects after almost three years. It enabled us to compare what the beneficiaries actually did with what they intended to do. Results: Overall, one third of all CIP EQUAL projects in the Czech Republic (all with obligatory partnership) were able to continue in their activities. Approach of individual partners was a crucial aspect for sustainability of the activities. If the approach of the partners was problem-oriented, they continued with projects' activities as they wanted to help their target groups. We found also 3 cases, in which the partners decided to set-up a new legal entity. It enabled all partners to have equal chances to participate on decision-making. Effort and sunk costs connected with establishing such an organization are the factors that push the founders of such organizations in their long-term sustainability. Conclusions: The research of the Operational Programme Human Resources and Employment projects enabled us to compare the two types of projects: with and without partners. It confirmed that partnership has an influence on sustainability of projects' activities. The conditions of the call for proposals and motivation of the partners are crucial for sustainability of activities. Especially, the projects with target groups involved as partners of the project have a greater chance to be sustainable as they meet the direct needs of their clients. Similarly, it happens in the new entities created by collaborating partners.

Gateway D1

THE RELATIONSHIP BETWEEN SKILLS AND PRODUCTIVITY IN RURAL AREAS

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This paper examines the relationship between rurality, skills and productivity within a region of England. Existing policy related to productivity in the UK focuses on what HM Treasury (2006) has identified as the five productivity drivers. These are Investment, Innovation, Skills, Enterprise, and Competition. Of these, skills are widely regarded as the most important determinant of productivity. Skills development therefore receives considerable focus in national and regional policy to promote productivity. A number of studies (e.g. Webber et al, 2007; Gambin et al, 2009; Argawal et al, 2009) have identified that the influence of skills on productivity varies geographically. Low skills in rural areas are found to have a more adverse effect on productivity than in urban areas. This paper seeks to develop a better understanding of the skills-productivity relationship in rural areas, and to identify the specific characteristics of rural areas that may influence the effect of skills on productivity. The findings are based on analysis of skills and productivity indicators at Middle Super Output Area (MSOA) level for the East Midlands. Analysis is conducted across MSOAs that have been defined as urban, accessible rural, and remote rural. The effects of other drivers of productivity – such as innovation, enterprise, and connectivity – are also explored. The results show that remote rural areas perform poorly on a number of drivers of both skills and productivity, including new firm creation, the propensity of firms to innovate, the availability of higher order occupations, and overall employment rates. The findings suggest that the skills-productivity relationship in rural areas is constrained by 'thin' labour markets that offer limited opportunities for specialisation, development of higher skills or wages, or the creation of progression routes. Poor connectivity and low aspirations in these areas can lead to these disadvantages becoming self-reinforcing.

REGIONAL POLICY IN TIMES OF FISCAL CRISIS: THEORETICAL CONSIDERATIONS AND EVIDENCE FROM THE GREEK REGIONS

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Amid the most severe economic and fiscal crisis that most countries are facing today, the emerging need for economic stabilisation of national economies has outweighed regional development policy issues. However, economic recession and fiscal austerity have a critical ‘geographical footprint’. This paper is aiming to analyse the geography of fiscal austerity and its implications on regional economy in Greece. Following an empirical analysis on the regional allocation of public expenditures the paper discusses how economic recession has impacted on regional economies, which regions are more vulnerable to economic crisis and which regions show signs of resistance, in which ways has economic crisis affected regional inequalities, if there is space for regional policy during the economic recession and what has been policy response and public funding allocation to support regional economies.

GETTING THE POLICY MIX IN INNOVATION POLICY; SOME CLARIFICATION AND DISCUSSION

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Innovation policy has become a key feature of policy making in the twenty first century. However, it is not always clear what is meant by innovation policy, and what its boundaries are. In reality, the innovation system of a region or nation is affected by a number of different policy areas, often overlapping with innovation policy. Science and technology policy, and enterprise and entrepreneurship policy are closely linked with innovation and address many of the same issues. Other policy areas, such as health and education policy, have different goals and purposes yet decisions made in these areas can have profound effects on the innovativeness of an area. It stands that if education policy helps to increase the flow of students into STEM subjects for example, there will be a greater talent pool for high tech industries to exploit. This paper looks at innovation and related policies of different governments and discuss how interlinked or separate these different policy areas are, and what effects this could have on the innovation system. Firstly a brief discussion about the meaning of innovation policy is important; this is not necessarily clearly defined in the literature and policy. This paper will discuss some ideas about how innovation policy has evolved and emerged from other policy types, and also some of the different labels given by authors and governments to describe innovation and related policy areas. For example, some authors group science, technology, and innovation policy together (Laranja et. al. 2006; Lundvall & Borrás, 2005), whereas Dahlstrand & Stevenson (2007) see innovation policy as having emerged from science and technology policy. Similarly, enterprise and entrepreneurship policy is given different labels in different countries making the situation confusing for academics and practitioners who may be accustomed to different labels for what is, essentially the same thing. This paper aims to clear up some of this confusing by grouping policy areas and explaining how they fit into the wider scheme of government in innovation. There is increasing interest in getting the right policy mix, that is combining policies and approaches in such a way that they complement each other. Some governments are making efforts to better co-ordinate policy areas which can be interlinked, such as innovation and entrepreneurship policy, perhaps creating “innovative entrepreneurship policy” (Dahlstrand & Stevenson, 2007). Case study examples of Nordic countries, with input from other international studies, will be used to discuss the different approaches to innovation policy and its interaction with other policy spheres. Some countries have combined and co-ordinated policy approaches to a greater degree than others, and the possible effects of this on the innovation system will be discussed. This paper will discuss some pros and cons of using this approach of combining related policy areas in order to achieve the best outcomes in terms of raising the innovativeness of a country or region.

Veronika Pulisová, Comenius University In Bratislava, SLOVAKIA

The EU-driven initiative called the Eastern Partnership (EaP) is expected to bring about, inter alia, regional co-operation among the six post-Soviet - WNIS (Belarus, Moldova, Ukraine) and the South Caucasus countries (Armenia, Azerbaijan, Georgia). Thus, the EU hopes to 'Europeanize' them also within 'A new framework for multilateral co-operation' (along with a simultaneously running bilateral track of the Eastern Partnership) with the aim to form stable, democratic, secure, prosperous and more predictable neighbourhood. Direct Europeanization in a multilateral setting beyond the E - beyond the EU-member, 'quasi-member', candidate and potential candidate states - is a new phenomenon. The intended regional co-operation is supposed to serve as 'a natural forum' to share information and experience on partners' steps towards transition, reform and modernisation, on further developments of the EaP (Communication from the Commission to the European Parliament and the Council: Eastern Partnership, 3 December 2008). According to the Commission, it should facilitate the development of common positions and joint activities and foster links among the partners themselves. However, there are several preclusive factors which cast substantial doubts on a potential of this policy vector to succeed. One of them is the absence of the 'East/ Eastern region' as such. A tradition of regional co-operation has not been established among the six target countries, their perspectives and interests differ in many respects, the 'region' has faced internal conflicts (Nagorno-Karabakh, Transnistria). Although we-ness and shared notions of belonging have a secondary significance with regard to regionalism (Bechev, 2004), and 'geographical proximity accounts for more than regional identity' (ibid.); for co-operation to be more than a single (temporary) engagement as an outcome of selfish cost-benefit calculations, 'it must rest on and contribute to a community of values' (Zartman & Touval, 2010, p.7). Nevertheless, 'what ultimately matters is how space and belonging is interpreted in the political process' (Bechev, 2004) forasmuch as 'regions are invented by political actors as a political programme' (Neumann, in Bechev, 2004). After all, 'one of the few issues on which writers on regionalism agree is that there is no such thing as a 'natural' region. Regions are social constructions whose members define their boundaries.' (Ravenhill, 2008, pp. 174-175) Considering related IR definitions and theoretical propositions, can regional co-operation, as encouraged by the EU, emerge among the six East European partners? Does the EU have a capacity to promote regionalism in 'a non-existing region' outside its borders, and use it as a tool of approximating the target countries to the EU? Trying to answer these questions from a theoretical point of view requires first and foremost to shed light on what the terms regionalism and Europeanization entail, and what is the relationship between them.

Garri Raagmaa, University of Tartu, ESTONIA**Grete Kindel, University of Tartu, ESTONIA****Matti Lüsi, Hiiumaa Development Agency 'Tuuru, ESTONIA**

The aim of this paper is to analyze leadership in social capital creating process and its influence to sustainable economic development. The role of leaders rises everywhere during periods of instability, but remains always relevant in economic peripheries where a general lack of human resources and a thin institutional thickness exist. Thus, the key task of leaders is to raise institutional capacity (thickness) – social capital of their community. 2008-9 financial crisis influenced negatively most European communities and most severely Baltic local authorities. Rapidly changed circumstances give us good opportunity to judge whether leadership has been able to create sustainable social relations and economic development in the community. Taking a successful community-building process of the 1990s from the case study article (Raagmaa 2001) published ten years ago as a starting point, we intend to analyze retrospectively whether factors that guaranteed positive economic performance were and are still functional in changed situation. However, this time, we will focus on social capital measured by institutional richness, activity and openness with particular stress on relations of permanent population and summer/temporary residents. We intend to use similar case study methodology as in previous

article, most notably analyzing changes in population and economic structure and interviewing key persons of the 1990s and now. Additionally we carry out institutional survey of local organizations and interviews with their leaders.

Gateway C

SPATIALLY CONCENTRATED DEPRIVATION IN ENGLAND: AN EMPIRICAL ASSESSMENT

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The spatial concentration of deprivation is a well documented phenomenon and is of interest to a wide range of academics and policy makers. However, despite the accepted view of concentrated deprivation as a problem the empirical basis for understanding it remains under-developed. Therefore, an attempt is made to provide an empirical assessment of spatially concentrated deprivation in England, using a spatial statistical approach and a policy-relevant deprivation measure. More localised analyses are also conducted for London, Birmingham, Liverpool and Manchester. The results demonstrate that deprivation (and affluence) in England is highly concentrated, that it varies significantly over space and that spatial patterns persist, stubbornly, through time.

Gateway P2

THE CONSTRAINED EVOLUTION OF REGIONS: HOW HISTORICAL CYCLES MATTER

Filippo Randelli, University Of Florence, ITALY

In the last two decades new theoretical approaches in Economic Geography have emerged: new “turns” such as the so called “institutional” or cultural turn and the New Economic Geography led by Paul Krugman. What has been lacking in these new theoretical developments is any real appreciation of the importance of time and history in the economic landscape: any of those approaches really tell us much about how landscapes evolve over time. Our aim is to explore how regions and their local economies have evolved in the recent decade, thus an evolutionary perspective is essential in Economic Geography. The analytical task is to identify the conditions under which actors, either individually or collectively, discard old routines, change rules, exploit new opportunities, leave old paths, and create new paths. In this article we examine the constraints that affect the evolution of the economic system, globally and locally, by defining the evolutionary scenarios of an area. In particular, in this article we consider historical conditions as a constraint, not in the sense of “path dependence” but including in the analysis the concept of cycle. Our thesis is that including some theoretical cyclic tools (i.e. Business cycle of Kondratiev-Schumpeter revisited), it helps to understand more carefully the evolution of the regional economies. Some examples on the evolution of regions will help to fit the theoretical approach with the economic reality.

Gateway W2

WEST SIDE STORY - EAST SIDE STORY: COMPARATIVE ANALYSIS OF THE TERRITORIAL KNOWLEDGE DYNAMICS IN ICT SECTOR IN FOUR EU REGIONS

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Milan Bucek, University Of Economics In Bratislava, SLOVAKIA

In the literature there is growing discussion about the role of spatial proximity in the knowledge interactions. In an open debate on the role of proximity or distance relations authors conclude that nowadays the knowledge interactions are becoming to be very complex systems in space (FISCHER, REVILLA - DIEZ, SNICKARS, 2001; MACKINNON et. al., 2002; BATHELT et. al., 2004; CREVOISIER, JEANNERAT, 2009). The concept of knowledge dynamics (CREVOISIER, JEANNERAT, 2009) emphasises that innovation activities of firms are currently becoming increasingly multilocal and multiscalar, which is a result of increasing mobility of both tacit and codified knowledge. On the other hand, the concepts of evolutionary economic geography (BOSCHMA,

FRENKEN, 2006) and new institutional economics (NORTH, 1990; WILLIAMSON, 2000) indicate that the form of the knowledge governance is determined by the social, cultural, political or institutional environment of the region and evolution of the governance mechanism will be a path dependent process. The way how the knowledge is diffused among agents and how agents anchor mobile knowledge is under consideration. From this perspective, the focus of this paper is to analyze the knowledge governance mechanisms which individual regions have established to generate, diffuse, absorb and utilize knowledge. The empirical part of the paper is based on the case studies of territorial and firm knowledge dynamics undertaken in the framework of FP6 EURODITE research project. We compare the knowledge governance mechanisms in the IT sector in two post socialist countries Slovakia and Slovenia with the results of two case studies from France. As the post socialist countries are characterised by fragmented innovation systems (DYKER, 1997; FRITSH, WERKER, 1999; KOSCHATZKY, 2004), we give particular attention to explain the impact of post socialist transformation on knowledge dynamics.

Gateway B

SELF-EMPLOYMENT, MIGRATION, AND PLACE: ARE THE SELF-EMPLOYED LESS SPATIALLY MOBILE THAN WAGE AND SALARY WORKERS?

Darja Reuschke, University of St Andrews, UK

Entrepreneurship has increasingly attracted attention from geographers and economists over the past decade. Literature has called attention to the regional disparities in the share of nascent entrepreneurs and start-up firms. Overall, current empirical results drawn primarily from statistical models in which the regional level was employed either as explanatory or dependent variable support the assumption that place in general and the regional context in particular matter for entrepreneurship. But if we look beyond regional variations measured in percentages, how does place shape entrepreneurship/self-employment and vice versa? This paper takes the view prevalent in current literature of the self-employed as workers who are strongly rooted in place as a starting point. In particular, the paper addresses the question whether self-employed workers are different from wage and salary workers in terms of geographical mobility and localised social ties. The notions of entrepreneurship as a local event and the 'sticky' geography of self-employment are prominent in literatures in both economic and economic geography. However, assumptions made in this literature are based on remarkably little empirical evidence as will be shown in the paper. Briefly, the location behaviour of firms is widely discussed in economic geography, but the relationship between individuals' location behaviour and entrepreneurship/self-employment is hardly addressed in the literature to date. Moreover, the few studies which provide empirical data on the spatial behaviour of the self-employed so far hardly incorporate comparison group analysis in order to control whether and to what extent self-employed workers are in fact distinct from other people – say people in paid employment – with regard to their rootedness in place. From a labour (market) perspective, the general belief that men and women 'simply' launch their business in the place where they had lived could simply mean that the self-employed had lived and worked in the place where they have run a business for a relatively long period of time. This could imply that the self-employed have a higher propensity than the average workforce for having never moved house during their professional career or in their entire life. Following this view, self-employment could be an individual strategy to stay in one place and to avoid migration. Thus according to this argument, people who are more rooted in place, for instance due to a desire to stay close to other family members, could be more likely to become self-employed. In contrast, a number of studies in labour economics reveal the importance of individual employment experiences prior to the start-up venture. It is therefore likely that the self-employed have moved earlier in their professional career in order to accumulate working experiences and professional skills as a prerequisite for setting up their own business. This would lead to a novel conceptualisation of self-employment since becoming self-employed could actually require spatial mobility in early career stages. This points to the need of a longitudinal perspective on employment careers in order to understand who becomes self-employed. Exploring self-employment in relation to migration and place will shed new light on the location behaviour of a significant proportion of the workforce. The linkage between migration and employment status also provides new insights into labour market processes and is therefore helpful in providing a stronger basis for public policy regarding the promotion of self-employment. In many European countries national and regional policy initiatives have sought to encourage entrepreneurship. However, little is known, for example, about the reasons for the low participation of women in self-employment. This paper argues that the migration behaviour of people and households must be taken into account. The paper is structured as follows: The review of the literature will outline the theoretical arguments on self-employment,

migration and place. The migration behaviour and place attachment of the self-employed in Germany and the UK is then investigated by employing the German General Social Survey and household panel surveys (BHPS, GSOEP); the latter allow longitudinal insights into self-employment and place attachment. More precisely, the number of moves, residential tenure, incidence of living in the region of birth, geographical proximity to family members, and the willingness to move will be examined for self-employed workers compared to wage and salary workers. To sum up some main results, the present findings support the assumption that the self-employed are not characterised by a particular strong 'rootedness' in place if their migration history compared to those in paid employment is considered. Instead, female self-employed in Germany live on average at a greater distance to family members than females in paid employment do since a considerable part of self-employed women have moved to another region in the past. This suggests that a significant number of women become self-employed despite (or because of) a lack of localised strong ties.

Gateway P

CULTURE-LED REGENERATION, DIGITAL TECHNOLOGIES AND CREATIVE PRACTICES

Ranald Richardson, CURDS, Newcastle University, UK

Graeme Mearns, CURDS, Newcastle University, UK

Liz Robson, One North East, UK

This paper explores the early outcomes of an inter-disciplinary research project, involving urban and regional development scholars, artists, human-computer-interaction scholars and computing scientists at Newcastle University, exploring aspects of 'bottom up', culture-led local regeneration, concentrating on 'creative practices'. We focus on the (perhaps absent) interface between two streams which have had an important place in regeneration policy over the past 10 years or so, namely Digital Inclusion, and, engagement through cultural activity. We consider how specific digital technologies can be utilised by individuals and communities in creative ways and what the outcomes might be for those users. Our research is concerned, in the first instance with young people, the so-called Digital Natives. The project has three inter-related strands. The first strand, which we will explore in this paper, focuses on a variety of community level initiatives which are seeking to promote engagement through digital music-making. It will consider the social, economic, cultural and institutional barriers to such engagement and whether and how these can be overcome. A second stage will explore how digital technologies are appropriated and used within the context of music-making in particular settings, and will consider the outcomes of such appropriation and use for the individuals and groups involved, in terms of engagement and inclusion. A third, more ambitious stage will pull together lessons from the first two phases of our work, together with parallel research and engagement by our artist colleagues, to work with practitioners in undertaking action research in communities. The research is taking place within the context of wider multi-disciplinary research programme on Social Inclusion through the Digital Economy (SIDE <http://www.side.ac.uk/>), one of three UKRC £12million funded Digital Hubs, under its Digital Economy Programme. In our conference paper we will draw on the early findings from stage 1 of our research, pulling together evidence from interviews with policymakers and practitioners in the fields of culture-led regeneration and digital inclusion, and observations from a series multi-disciplinary workshops involving the research team to explore whether and to what extent notion of 'creativity' is helpful in exploring this area of policy. In place development literature and policy the 'creativity script' Peck (2006), has dominated debates and for many scholars the concept has fallen into disrepute. One response to this has been to focus on 'non-instrumentalist' versions of creativity, and the notion of 'vernacular' creativity, perhaps better termed as 'quotidian' creativity, has begun to attract attention. In our paper we consider if there is a space between those two approaches which is useful for academics and policymakers concerned with regeneration; one which, while unlikely to supplant the dominant paradigm, might supplement it.

Rebecca Richardson, Newcastle University, UK

Place branding has grown phenomenally in the last two decades. Across a range of scales, development strategies for places have drawn upon brand and branding techniques and practices in the search for distinctive identities for nations, regions, cities and localities in the context of inter-territorial competition for investment, jobs, residents, visitors and students. Formerly industrial cities and regions especially, have sought the economic potential of 're-branding' as a means of shedding their 'rustbelt' images, unlocking existing development paths and fostering new images and growth trajectories based upon 'knowledge' and 'experience' economies. However, a closer look at place branding activities demonstrates that there are many interesting and complex issues of competition and cooperation at work. Place branding activities usually centre on the notion of promoting a place's distinctiveness in order to increase its competitiveness. Interestingly, criticism levelled at places who have undertaken place branding activities is often that the result has not led to distinctive brands and urban development but to formulaic brands and indistinct places. More sophisticated approaches advocate branding activities based on an in-depth knowledge of a place's competitive advantages in business, innovation, visitor experience or quality of life. Although a thorough and forward looking analysis of a place's competitive advantage is likely to result in more appropriate branding activities it is possible that a place brand which focuses on specialised industries could leave itself open to missed opportunities and the possibility of lock-ins, lessening a place's ability to compete. A general understanding of place branding as a tool to build competitiveness also underestimates the way places may variously cooperate or engage in competition to engage in branding activities at different levels. For example cities that compete may sit under and engage with the same regional place brand. Similarly, a city with a place brand may contain many smaller areas with their own place brands, such as neighbourhoods, business districts and retail areas, which nevertheless all contribute to the city brand. Branding and promotional activities undertaken around the NewcastleGateshead brand provide a particularly interesting example as they represent Newcastle and Gateshead two places which have previously been competitors and are now cooperating to create a joint brand, in order to increase their competitiveness and aid their urban and economic development. Although place branding activities are motivated by the context of inter-territorial competition this is not the whole story for place brands where cooperation can also play a role.

Anna Riepe, Académie Universitaire Wallonie-Bruxelles, BELGIUM

'Innovation', 'knowledge society', 'R&D', 'creative class' – concepts that are important topics of conversation when discussing the needed socio-economic growth in less prosperous regions. As one group of actors, individuals holding a 'doctorate-level degree' (PhD) with their ability to develop new ideas and solutions can contribute to a positive socio-economic development. However, the French-spoken regions in Europe see researchers and PhD holders in general as inhabitants of an 'ivory tower', incapable of dealing with the practical needs and constraints of the private or public sector outside punctual research tasks. PhD holders, at the same time, often prefer remaining in academia and have little contact during their university career within the public or private sector. To help foster socio-economic development, the lack of exchange and cooperation between 'both worlds' needs thus to be reduced. Looking towards support, the EU Structural Funds are seen as a possible tool to help initiate or speed up regional development by supporting different projects. Taking this as a starting point, different universities and umbrella organisations in Wallonia/Belgium and Nord-Pas-de-Calais/France have joined to create 'ProDoc' (<http://pro-doc.org>). ProDoc is an EU project financed by Interreg IV and combines research and knowledge sharing on the subject with concrete actions such as PhD seminars, job fairs for PhD candidates, focus groups and policy papers. The aim is to bridge the (perceived) gap between PhD holders and researchers on the one hand and the non-academic organisations on the other hand. This is hoped to have a positive impact on the long term socio-economic growth for both regions; a change that can radiate across borders. In more specific terms, the presentation will give an overview of the project ProDoc and then focus mainly on the results emerging from conducted Focus Groups. Differences and similarities between France and Belgium on the position and perspectives of PhD holders outside academia, and possible ways of

overcoming barriers between academia and ‘the world outside’ will be evoked. Here, not only the perception of PhD candidates but also e.g. how companies and recruitment agencies see the potential of PhD holders within socio-economic development will be discussed. The intervention equally represents a possibility of exchanging experiences, ideas and best practice examples of career paths of PhD holders outside academia.

Gateway M1

THE EFFECTS OF CRISIS IN ITALIAN LOCAL SYSTEMS

Paolo Rizzi, Università Cattolica Di Piacenza, ITALY

This paper aims to analyze the effects of the international crisis in the Italian regional and local territorial systems. There are two sections in the paper. The first one concerns the cyclical aspects, which will be investigated using the dynamics of added value, enterprises tendencies, exports. These variables are usually monitored in such approaches. There is also a particular focus on the labour market, where the crisis takes its effects in a second wave with some months of lag. The key variables in this case are the following: employment and unemployment public subsidies (Cassa Integrazione Guadagni in the Italian Welfare System). The second section of the paper focuses on the evidences from a logical framework describing the territorial systems, which is called ESE Model. It includes the sustainability issues (Economy-Society-Environment Model) and is applied to the Italian provinces in order to evaluate the different responses to the crisis of different territorial approaches to local sustainable development. The empirical evidence reveals that the structural aspects of local development (industrial production and districts in the economy pillar, infrastructure and services in the society pillar) are related with strong negative crisis effects on export, production and unemployment, but the sustainable strategies of local systems describe trajectories being more positive in the middle-long run. These dimensions are measured with a model that describes local systems not only in terms of economic factors (entrepreneurship, cost of life, profitability of enterprises), but also in terms of social issues (levels of education, crime rates, health conditions, leisure time) and environmental elements (natural heritage, air quality, waste, etc.). At a regional level, the traditional North-South divide in Italy confirms a lower negative impact on Mezzogiorno Regions (with a low level of international openness in terms of trade-balance), but stronger and durable effects in the long run development paths of southern Italy with consequences in terms of labour migration, growing unemployment rates and the closedown of businesses.

Gateway J1

SMALL (INDUSTRIAL) CITIES RESPONDING TO THE ECONOMIC DOWNTURN: TAKING STOCK OF A PORTUGUESE CASE

Carlos Rodrigues, University Of Aveiro, PORTUGAL

Cities all over the world are striving to devise and implement locally designed responses to the current financial and economic crisis. The dynamics of local policy-making gave rise to a wide array of strategies, either short-termed, such as SME support schemes and investment in training, or long-termed, focussing, for instance, in the promotion of innovation and the so called ‘green’ economy. This locally-based policy endeavour is evolving in large, medium and small cities, which attempt to achieve the common purpose of mitigating the recessive impacts of the crisis and/or transforming them into development opportunities. However, cities are being affected by the economic downturn in a variety of ways and with different severity. There is plenty evidence (e.g., Clark, 2009) suggesting that the variegated and more or less intense negative impacts of the crisis on local economies - from decreasing economic growth rates and business cutbacks to raising unemployment and reduced income - , depend on factors related to cities’ size, economic composition, location, and social and cultural features. Accordingly, one can expect that scale, allied to structure and location, should also affect the robustness of locally-based responses to the crisis. This is particularly significant when dealing with smaller local economies, specialised in a few vulnerable sectors, located in relatively peripheral regions and endowed with weaker social and cultural architectures, which, when compared to other urban areas, can be regarded as being in a less favourable position to ensure timely and effective responses when compared with other urban areas. Hitherto, the recent research effort has left out of the picture these kind of territorial contexts, meaning

that the available pieces of evidence, very much based on what is going on in large and medium cities, do not provide solid ground to ‘test’ the expected correlation between poorer responses and less favoured ‘geographies of context’. The paper aims at addressing this knowledge gap through a discussion of the problem of scale, structure and location and its influence on the quality of locally designed responses to the crisis in the specific case of small, relatively less advanced economies. It draws on the developments taking place in the Portuguese city of Águeda (ca. 50 thousand inhabitants), whose economy is heavily dependent on small and medium manufacturing firms (more than 92% of the total number of firms have less than 10 workers) operating in the so-called traditional sectors (mainly metallic products and ceramics), thus quite vulnerable in the context of the financial and economic crisis. ‘Specificity’ is added when taking into account that Águeda counts on a proactive local government, which, while acknowledging the problems of scale, structure and location, is attempting to overcome the inherent debilitating effects by means of a somehow innovative approach to policy-making and delivery. At the backbone of the innovative nature of this policy approach is the articulation of what can be called the long established relation between local government and industry, very much limited to the provision of ‘hard’ infrastructures (e.g., industrial parks, waste treatment facilities) and the definition of legal requirements (e.g., environmental rules), with a ‘softer’ integrative approach that seeks the coherence of sectoral policy interventions, the mobilization of relevant agents and a proficient balance of endogenous and exogenous resources. The paper is structured according to four parts: firstly, under the light of relevant literature, it discusses the problem of scale, structure and location and its relations with the capability to foster development in general and to fight the crisis in particular; secondly, it addresses the manifold effects provoked by the economic downturn in Águeda; thirdly, it analyses, according to different dimensions (inspiring/informing models and theories, mobilizing capacity, degree of integration, linkages to upper-scale levels of governance, etc.) the locally-driven public policy effort that is shaping the local response to the crisis; fourthly, it provides a forcibly preliminary appraisal of policy outcomes and draws some conclusions that make advisable to avoid straightforwardness when judging the capacity of small, less favoured and peripheral places to devise effective responses to the crisis. The research reported in this paper was based on data assembled by using mixed methods, comprising direct observation, documentary analysis and interviews. Direct observation occurred due to the active participation of both authors in the local policy endeavour undergoing in Águeda. Documental analysis included policy and strategy documents, as well as statistical data collected from secondary sources. A number of semi-structured interviews were conducted with relevant stakeholders.

Gateway K

CULTURAL LANDSCAPE AS ACTION ARENA - AN IDENTITY-BASED CONCEPT OF REGION-BUILDING

Andreas Roehring, Leibniz-Institute For Regional Development And Structural Planning, GERMANY

Cultural landscapes are increasingly understood not merely as something to be protected. The European Spatial Development Perspective and the European Landscape Convention as well as the new concepts and policy approaches of spatial development in Germany propose to consider cultural landscapes also as force to promote cooperative regional development. Common historical roots, special landscape features, typical products, cultural traditions as well as innovative projects are possible initial points for identity-based region-building processes. In connection with governance arrangements cultural landscapes can be constituted as action arenas for regional development. These region-building processes can be understood as a special form of regionalism. During the past years, a variety of actions arenas and regional networks e.g. regional parks, large-scale reserves, regions of rural development, tourism regions as well as inter-municipal networks of cooperation have been constituted. They are rooted in different cultural landscape approaches, they deal with specific cultural landscape potentials and they pursue diverse goals of regional development. But the spatial constitution of these action arenas is partly aligned with administrative districts and not in every case identity-based. The consequence is not only an overlapping of regional structures and action arenas but also to some extent a “misfit” between these structures and cultural landscape-related identities. The new state development plan for Berlin and Brandenburg aims to solve these problems by a strategic understanding of cultural landscapes as identity-based action arenas. In North Rhine-Westphalia a protection-oriented approach to cultural landscape has been exemplary implemented by the constitution of several identity-based action arenas in initial projects of the regional structural programme “Regionale 2010”. In the presentation the theoretical background of the constitution of cultural landscapes as identity-based action arenas will be analysed and exemplified at case studies from Berlin/Brandenburg and North Rhine-Westphalia in Germany.

Arie Romein, Delft University Of Technology, THE NETHERLANDS

Since at least a decade the creative city concept is very much en vogue. Culture and creativity – and industry based on these resources - are regarded drivers of urban economic development, and therefore as important elements of urban economic policy. In practice however, local policy in many cities is determined by a considerable degree of path dependency. On the whole, hence, the creative city concept is not very solidly embedded in local policy. Irrespective of whether the global economic downturn that started in 2008 in the USA is under control again – as some comment – or not, it leaves little doubt that it can be regarded as a structural factor of change of the context for local creative city policy. Although a relevant issue from the perspective of the creative city, systematic research of impacts of this factor of change on creative city policy is scarce as far as yet. By presenting a highly explorative analysis of these impacts, this paper intends to contribute to stop this gap. This analysis builds to a large extent on empirical insights and discussions from the Interreg IVB project Creative City Challenge that involves nine cities and city-regions – most secondary in size - in six countries in the North Sea Region. The paper explores possible impacts of the economic downturn on local creative city policy from two opposite perspectives. First, it might be considered a blessing in disguise: the crisis as a challenge to take the path towards a creative industry-oriented economy more decisively. However, downturn may also be a factor that causes a retreat of policy in more ‘safe’ and ‘familiar’ traditional economic activities rather than creative industries and milieus. The exploration of each of both perspectives consists of two parts: it sums up specific general characteristics of creative industry itself that make this sector respectively vulnerable and resilient to economic downturn, and presents arguments why policy makers – in the context of budget cuts and massive expenditure on social benefits - should respectively abandon the creative economy from their policy or focus more explicitly on this sector rather than on traditional sectors. Preceding the exploration set out above, the paper presents a brief overview of consequences of the economic downturn for local governments in general, in particular their finances, as a context for this exploration. The paper concludes with a discussion of the implications of the findings of our analysis. The main objective of the paper is to offer clues for more detailed research of the potentialities of creative city policy in financial and economically difficult times. In anticipation of that research, it may enable local policy makers to further define their position with regard to creative city policy, taking into account their own ambitions and potentialities but also financial preconditions for that policy.

Patrícia Romeiro, University Of Aveiro, PORTUGAL

Globalization and technological developments and the rise of Knowledge Society have opened opportunities for Cultural and Creative Activities (CCA). The relevance of immaterial resources and recent changes in the way innovation is understood (encompassing more than science and technological elements), among others factors, have opened opportunities for CCA. These are now frequently recognized by their great innovation potential and economic dynamism and by the important role as drivers of economic and social innovation in other sectors. From a territorial perspective, cultural vitality increases quality of life and attractiveness to (potential) new residents, tourists and activities. Traditional music provides an interesting research area to analyse some of the current global dynamics associated with ACC in the Knowledge Society. This kind of music related to traditional activities (ex. agriculture) and mainly orally disseminated, is now being recontextualized according new aesthetics, values and demands (ex. using ICT). In many European territories, traditional music is now being revitalized by entrepreneurs, institutions and organizations. Their mobilization capacity is being an essential element to develop new cultural products/services, to promote creative skills and competences (artists and amateurs) and to create innovative partnerships and to create new knowledge pipelines (ex. local festivals, international cooperation). The Region of Aveiro (Portugal), territory with a rich music heritage, is the starting point to analyse how traditional music is acting as a driver of innovation in Small Cities and Rural Territories, in the context of the Knowledge Society. Considering the meanings and practices related to traditional music in the

past, we analyse what kinds of innovations are taking place nowadays in music production, dissemination and consumption.

Gateway M2

CHANGING SOCIAL FIELDS AND THE ROLE OF REGIONAL DEVELOPMENT AGENCIES: INSTITUTIONS, NETWORKS AND COGNITION

Borut Roncevic, School Of Advanced Social Studies In Nova Gorica, SLOVENIA

The paper is dealing with the role of regional development agencies; influence on regional developmental processes via three structural forces: institutions, networks and cognitive frames. We test the hypothesis that the agencies can perform their role only in those cases where they can successfully manage simultaneous operations of all three forces. This to an important extent depends on their strategic competencies, a combination of their social capital and technocratic competences. The paper develops more integrated perspective of the social structuring of regional innovation systems. It is based on Jens Beckert's notion of social fields, which are understood as local social orders or social arenas where agents gather and frame their action towards each other. We develop analytical approach which allows us to observe agents in constituting regional systems of innovation. Together, the three social structures form a social grid constituting positions within regional system of innovation and their interrelations. Regional development agencies can significantly influence the form and structure of regional systems of innovation by influencing the conditions of their cooperation. Regional systems of innovation are continuously structuring and re-structuring in these processes.

Gateway D1

CONTEMPORARY SETTINGS, TRENDS AND POLICIES OF THE REPRODUCTION OF ESTONIAN REMOTE RURALITY

Antti Roose, University Of Tartu, ESTONIA

Rural areas are distinct in their inequalities marked by geographical, economic and socio-cultural contexts (Woods 2011). Rural Estonia displays several of the characteristics and controversies common among rural phenomena in Europe, although partly unique in post-communist developments and processes. In this study, theoretical conceptualizations of rurality (Cloke, Marsden and Mooney 2006) are examined. Affected by dramatic demographic, social and economic change, rural areas are praised for traditional, symbolic and cultural identities as well as natural and tranquil wilderness, which stand in contrast with depressive images of remoteness, periphery, socio-economic handicaps, poor areas and communities. Globalization and Europeanization have been the impetus behind rural change in Estonia in the last decade or two. Both processes have had an impact in terms of economy and mobility, although political and cultural change has also played a major role in transforming rural communities. Despite these changes, rural areas seek to retain their local distinctiveness, rurality and conservative paths of development. The survey conducted in Estonia assesses rural development trends in relation to policy measures. Key indicators are selected for the socio-economic assessment. The dispersal pattern of rural areas complicates data mining and analysis which translates into weaknesses in policy instruments aimed at tackling the disadvantages created by remoteness. Estonian rural areas belonging to the periphery account for more than a third of the country's territory but have only a tenth of its population. These areas are challenged by depopulation and aging, weak entrepreneurship, workforce and skills shortages, social deprivation and educational divide. The availability of both public as well as private sector services is rather limited. The remote and aging village communities exposed to the globalized world are characterized by their inability to provide and receive general and public services. At the same time, a considerable amount of free land and abandoned places of residence create opportunities for affluent in-migrants. In most scenic rural residential areas this has already caused gentrification. Rural Estonia has moved away from the agrarian way of life; the agricultural employment rate dropped as low as 2.6% in 2008. The Common Agricultural Policy including agricultural environment and rural development schemes has helped upgrade the agricultural sector and resulted in higher competitiveness and further loss of jobs. EU structural and cohesion funds supported the upgrading of public, transport and environmental infrastructures. The

diversification varies regionally providing work and entrepreneurship opportunities in rural areas. Local businesses have been encouraged to employ sustainable technologies and eco-economy such as bioenergy and eco-food. The commodification of the countryside dramatically transforms touristic landscape heritage; island and coastal rural areas present opportunities for real estate development, tourism and other entrepreneurs, although the impact has been largely over-emphasized. Addressing equity concerns, competitiveness and sustainability, the European Union Cohesion Policy and Green Paper on Territorial Cohesion offer the opportunity to strengthen the territorial focus of rural policies in terms of territorial potential and cooperation especially in cross-border areas; although the neoliberal doctrine has weakened state interventions. Leader and other bottom-up programmes have initiated and localized rural project-based actions exploiting local potential in addition to the EU and national regional support schemes. Public sector initiatives dominate attempts to improve the situation by adopting either authoritative or engagement policies. The multi-level governance should be straightforward in Estonian national-local level administration, yet decision-making tends to be top-down and sector-biased. Thus, regional policy is weakened by powerless county administrations as ambitions for the county-level growth are not institutionalised. As a result, regional policies have failed to reduce regional differences so far, except in special peripheral or remote target area programmes such as the ones in Setumaa and Kihnu. The future of Estonian rural areas lies in the choice between growth, sustainability and conservation.

Gateway F

LEGAL, ECONOMIC, PSYCHOLOGICAL AND INFRASTRUCTURE BARRIERS ON POLISH BORDERS

Piotr Rosik, Institute Of Geography And Spatial Organization Polish Academy Of Sciences, POLAND

Poland's land borders function in the historical/political and economic environments, which all have an influence on the existence of different kinds of barrier. The paper focuses on the barriers to land transport for Poles while crossing the Poland's borders. The analysis takes into account changes in flows of persons across seven segments of the Polish national boundary. The formal-legal barrier seems to have the greatest impact on flows. Inclusion of Polish territory in the Schengen treaty zone in 2007 turned out to be a more significant event for the magnitude and structure of the cross-border traffic than the membership in the European Union in 2004. Poland's accession to the Schengen zone created the conditions for free movement of people between Poland and other Schengen area states, particularly Poland's neighbouring countries; Germany, Czech Republic, Slovakia and Lithuania. However, this led also to new problems and new legal rules for crossing Poland's eastern border (with Ukraine and Belarus) and northern border (with Russian Kaliningrad Oblast). According to the scenarios of spatial development, elaborated within the ESPON 3.2 Project, in the time horizon of the next 25 years Poland's eastern border shall remain the outer boundary of the European Union. Barriers to the movement of Poles on Poland's eastern border result from restrictions on the right of a citizen to enter a given country (visas) and rules of border petty trade. In 2010 the legal framework for foreign travels of Poles to eastern neighbours includes visa-free travel to Ukraine and visa obligation and lack of local border traffic agreements (LBT) with Belarus and Russia. However, legal barriers remain interdependent with other types of barrier (economic, infrastructure and psychological). In particular the eastern boundary of Poland constitutes a barrier, which separates the areas, featuring different levels of the socio-economic development. Among the economic barriers are living standard differences, differences in fuel, alcohol and tobacco products prices and foreign exchange rates. Psychological barriers are fear of other culture or way of living and linguistic barrier in particular. The degree of infrastructural permeability of different borders reflects two basic elements: the existence of purely transport-related infrastructure (border crossings) and the degree to which this infrastructure is used, as expressed in the functioning of generally-accessible road border crossings and railway connections. In many cases, the existence of a barrier of one type implies the emergence of a barrier of another type. Summing up the analysis carried out in the paper, an attempt is made at even a simplified systematic arrangement of Poland's borders in 2010. Efforts are confined to classification of borders on the basis of the simplest ranking method taking into account legal, economic, psychological and infrastructure barriers on Polish borders.

PLANNING CREATIVITY? STRATEGIC REGIONAL DEVELOPMENT AND CULTURAL CAPITAL

Olli Ruokolainen, University Of Tampere, FINLAND

Culture and creativity have been recognized as resources in regional development. There is a wide discussion about a variety of concepts, such as cultural or creative economy, cultural capital, cultural industries, creative industries, creative class, creative cities etc. These concepts try to elaborate the different economic impacts of culture. However there is not enough knowledge and understanding of the process of linking strategic regional development and cultural resources of a region together. We know what can be potentially achieved, but we do not know how to achieve it. Therefore the aim of this paper is to set up a theoretical background for the analysis of strategic regional development of creative economy and cultural capital. The main research question behind this paper is: how can we strategically develop creative industries and creative economy? This leads to the following preliminary question: "What kind of actors and phenomena are involved when we develop creative economy? This paper presents a theoretical framework which links the discussions about strategic regional development and cultural policy in order to understand what kind of actors and phenomena are involved in the creative economy. The concept of cultural capital (Throsby 2001) sets the first distinction between different kinds of actors. It is possible to separate two aspects of culture or cultural capital. Cultural capital has cultural value and economic value. In other words it can be seen that art is valuable as it is, or art can be seen as resource for economic growth. Strategy and evolutionary economic development literature sets the second distinction between actors within the creative economy. The main idea that is drawn is the notion of emergent and deliberate strategies or phenomena from the point of view of public actors (Mintzberg 2003; Sotarauta 1996) within a complex system (Boschma 2004; Martin&Sunley 2007). Successful regional development is about balancing between strategic intention and reaction to emergent phenomena (Sotarauta 1996). When we combine these dimensions of cultural and strategic issues we can form four different categories of regional cultural capital. When culture has cultural value and it is the product of emergent processes, we can speak of subcultures or emergent avant-garde. Public cultural policy, cultural institutions, grants for art or high culture have cultural value and are products of deliberate actions of public actors. Emergent culture which is an economic asset refers to the cultural industries which are related to profit making and which are relatively independent from public support measures. Finally, there are deliberate public actions which consider culture as an economic asset. This kind of cultural capital consists of regional development efforts which develop, support or utilize the creative or cultural activities of a region.

SOCIAL ENTERPRISE - SHAPING UP TO BE A RESERVOIR OF LEARNING?

Sue Sadler, University of Strathclyde, UK

Robert Rogerson, University of Strathclyde, UK

Social enterprise comprises a diverse range of organisational types and sizes, with multiple ways of 'trading with a social purpose' that have been described as a 'definitional minefield' (Peattie and Morley, 2008). They have increasingly been viewed by national governments and regional development agencies as vehicles for supporting community and economic growth and resilience. Over the last two decades, social enterprises have been lauded within the sector as an 'engine of social change' (Scottish Social Enterprise Coalition, 2010) and promoted as positive models through which to professionalise philanthropic activity or to bring social justice into commerce (Dees, 1998; Dart, 2004; Nicholls 2010). With the fiscal tightening by the state in response to the global financial crisis, however, social enterprises are also being seen in some countries such as the UK and Ireland as potentially important responses to the retreat of public service and welfare provision by the state. In this paper we explore the learning that has taken place through the emergence of social enterprise and its struggle to define and position itself in terms of its relations with market, state and civil society. In so doing, we consider two main issues. First, building on Kolb's (1984) assertion that learning is 'the major process of human adaptation', this paper questions why so little has been written about learning in the social enterprise sector and the learning implicit in the hybridisation of commercial and philanthropic organisations (Dees, 1998; Nyssens 2006). In particular we examine examples of new or differentiated practice generated by social enterprise, and

consider how this is transmitted within and beyond the sector and to what ends. Second, we reflect on the extent to which social enterprises are indeed 'learning organisations', what is changing as a result of this learning, and the potential for social enterprise to inhabit and influence the new training and skills spaces being opened up as responsibilities for skills and training are divested by the state and passed onto individuals and non-state organisations.

Gateway A

THE NEW DEMANDS FOR ENERGY AND ITS EFFECTS ON THE EU ENERGY POLICIES

Sika Sadoddin, Tehran University, IRAN

Alireza Samoudi Pilehroud, Tehran University, IRAN

Undoubtedly, energy security is of great importance in all developed economies. Indeed, an economic actor can guarantee its competitive power provided that it could secure safe and sufficient energy supplies. Therefore, the EU as an economic giant which has experienced a considerable economic growth during the past years (except the period after the emergence of global financial crisis) cannot remain indifferent for providing its energy needs. Moreover, any plan or program for securing any big economy's energy security like the EU, besides being able to fulfill the current demands of energy, it should also be able to have a precise and comprehensive assessment of the future demands and predict workable approaches for securing new demands. In order to meet these goals, "Energy and Transportation Commission" as an expert body seeks for using the experts' ideas and advices and conducts some practical researches to devise new plans and programs with the aim of providing the EU's energy demands. The increase in the EU's economy size especially after the last enlargement in 2007, has increased energy demands and turned the EU into one of the biggest energy consumers in the world. Although the new EU member states possess more natural resources in comparison to the old ones, these resources fail to provide the EU's energy demands. Moreover, the development of these new comers' industries has also made new demands in these countries which totally consume the new added capacity. Consequently, Russia is still considered as the EU's biggest energy supplier. However, thanks to the EU-Russia differences, this reliance is not welcomed by the EU authorities (it is worth noting that the EU officials have strived to improve ties with Russia in recent years). In this paper, we will try to examine the shifts in the EU's economic policies, especially in the energy sector resulted from new energy demands. Our findings show that in order to fulfill these new energy demands, the EU has devised the following approaches: •Taking into consideration new geographical regions namely Africa; •An attempt to increase efficiency in energy sector; •An attempt to access to new clean and renewable energy resources. Alireza Samoudi And Sika Sadoddin. (Title: M.A students of Regional studies at University of Tehran, Iran.)

Gateway P

CULTURE AND CREATIVITY AS POTENTIAL DRIVERS FOR REGIONAL DEVELOPMENT IN BORDER REGIONS? - THE EXAMPLE OF THE 'ALPINE RHINE VALLEY'

Julia Scharting, University Of Innsbruck, AUSTRIA

Due to globalization processes, towns and regions are experiencing intensified global competition. "Soft" location factors such as education or the natural environment are becoming increasingly important. Especially, factors like culture and creativity influence the regions and form innovative and creative milieus. These milieus are 'breeding grounds' for technical and social progresses and generate images of cities and regions, which strengthen their positioning in the global competition and attract highly qualified employees. Culture and creativity do not only play an important role for the regions themselves and their development, but are also becoming more significant in the context of the European integration and territorial cohesion. Thus, an increasing awareness of a common European cultural heritage and a common European identity can be registered. Especially border regions, as hinges between different national states, are examples in which cross-border cooperation is experienced every day. This paper for the "Regional Studies Association Annual Conference 2011" deals with first results of a doctoral thesis, carried out at the Geography Department at the University of Innsbruck. The aim of this thesis is to figure out the relationships between culture, creativity and

regional development in border regions. Furthermore the dissertation seeks to develop visions and strategies for a sustainable, cultural development. Related to the “Alpine Rhine Valley” (Liechtenstein, Switzerland and Austria) as investigation area, the research interest focuses on four main questions: How do culture and creativity influence space and how does space affect culture and creativity? Which actors influence the creative milieus and for which purpose? Do any transnational cooperative efforts or social networks exist? How does the external frontier of the EU influence the creative milieus in the “Alpine Rhine Valley”? What are the cultural potentials for a sustainable development / a creative environment and which conditions have to be created to succeed this? In the theoretical part of this paper these reflections are integrated into the concepts of regional governance and sustainable development. Direct and indirect effects of culture on regions are analysed as well as opportunities and barriers of cooperation in the cultural field. Subsequently, methodological considerations are presented. The dissertation proposal uses diverse methods of empirical regional research. In the sense of a regional governance approach, different actors and actor groups as well as their influence on the region are focused. Finally, the paper presents initial results of empirical studies in the border region of the “Alpine Rhine Valley”. The four main research questions concerning relevant actors, the influence of the frontier on creative milieus and cultural networks as well as the cultural potentials for a sustainable development will be answered.

Gateway M2

REGIONAL DEVELOPMENT AGENCIES IN AUSTRIA INSTITUTIONAL SETTINGS AND EVOLUTIONARY DEVELOPMENT. A SMALL COUNTRY PERSPECTIVE

Matthias Schelnast, University Of Graz, AUSTRIA

Regional Development Agencies (RDAs) in Austria were established in the late 1980s and early 1990s and became soon an important institution for economic policy at the provincial level. In most cases they were offsprings of the administrative bodies of regional government. Despite the smallness of Austria a quite differentiated situation arose: each province had its own agencies with different institutional backgrounds and functional orientations. In some provinces the entire range of regional development services was highly concentrated in one institution while in others several different specialized institutions, for example, individual suppliers of infrastructure, individual suppliers of risk and equity capital and individual institutions for providing financial support, were founded. Another characteristic of the Austrian situation was the difference in the degrees of “freedom” to develop an adequate institutional setting, find an appropriate strategy and use various instruments. The paper will analyze, starting with the situation of the late 1990s (as also described in former publications of the time), the change in the institutional setting and the functional orientation since and the persisting elements of traditional RDAs. One predominant factor for change was the Austrian entry to the European Union in 1995. In some provinces the existing agencies undertook the additional tasks of allocating the European financial funds and of administer European collaborations, while in others new agencies arose which were specialized on European duties. Especially in the eastern regions of Austria, the enlargement in 2004 induced a wave of cross-national cooperation between border regions. Another important factor for the change in the institutional setting and the functional orientation of traditional RDAs is the recent reorientation of Austrian RDAs seeing themselves more as promotion and less as development agencies. Based on our research the paper will document the change in the institutional setting and outline the change in basic functional orientation and use of instruments and answer the questions: has the degree of autonomy in- or decreased; which new tasks had been added; what forms of cooperation arose (on the regional and on the European level); has a shift of responsibility occurred in the multi-level governance system of regional policy; was the last decade a phase of homogenization or differentiation of RDAs in Austria.

Gateway D2

THE WELLBEING OF OLDER ENTREPRENEURS: THE RURAL DIMENSION

Karen Scott, Centre For Rural Economy, UK

A new discourse of wellbeing has gained prominence in UK national policy with central government promoting ‘wellbeing’ as a distinct policy focus. The development of ‘local wellbeing indicators’ by the previous New

Labour government and the development of a national wellbeing survey by the present Coalition government are examples of this. A vast body of academic and policy literature has emerged which attempts to define and measure wellbeing. In particular, research on subjective wellbeing (or happiness) has captured policy and public attention. This has regenerated long standing debates over the relationship between GDP and quality of life. It also resonates with critiques of the neo-liberal economic project of creating autonomous individuals who buy their own wellbeing in the market place - the individualisation and commercialisation of wellbeing (Rose, 1992). This paper seeks to use wellbeing as a lens through which to look at current research on the older rural entrepreneur with a view to developing future research trajectories. There are significantly higher levels of entrepreneurialism in rural areas and this is highlighted as an important factor to the economic profile of the UK (Turner, 2010). In the North East of England extensive research carried out into rural businesses highlights the important role that over 50's play but shows they are less likely to access business advice, have broadband and increase profitability (Centre for Rural Economy, 2010). Therefore understanding this group better is important for effective rural economic policy and developing practical support mechanisms (Atterton and Thompson, 2010). There is a widespread assumption in policy discourse that entrepreneurialism is positively associated with wellbeing and this is partly symptomatic of a traditional focus on economic activity as a proxy for wellbeing. However, research shows a much more nuanced relationship across different dimensions including age and social class. The paper reviews some of this research and calls for further research to explore the wellbeing of older entrepreneurs in rural areas. It argues that so far policy interventions have focussed on supporting entrepreneurialism (assuming this raises wellbeing) rather than supporting the wellbeing of the entrepreneur. This paper explores what the policy implications of such a shift might look like.

Gateway U

FROM SOCIAL NETWORKING TO POLITICAL AND PHYSICAL IMPACTS SOME LESSONS FROM THE EGYPTIAN LOTUS REVOLUTION

Yehya Serag, Ain Shams University - Faculty Of Engineering- EGYPT

The recent Lotus Revolution in Egypt (January 2011) aimed for a nationwide development seeking to eradicate corruption and to reduce disparities within the different strata of the Egyptian society and aiming for a better and prosperous lifestyle. The revolution was sparked by a group of young urban middle class intellectuals using the power of digital social networking across the different regions of Egypt. The paper gives a brief explanation on how the social networking activity prior to the revolution was transformed into physical actions on the ground on the regional and national levels that ended up by toppling the government and the ruling system as its main political goal, hence starting a new era. The paper aims also to investigate the relation between the digital social networking that led to the revolution and the immediate spatial and physical impacts on the regional urban expansion and the housing question. This relation can be hypothesized as follows: The social networking led to an organized action against the ruling political system in Egypt, this action was transformed into a physical action by going on protests and holding positions in the main Egyptian squares. To encounter such protests, clashes sparked with the security bodies of the government, ending by a total retreat of the police forces from most of the cities and villages in Egypt. This led to the illegal spatial impact of the urban expansion, due to the fact the urban expansion on the limited agricultural lands of the Nile Valley and Delta are considered illegal outside specific regulatory borders, hence with the absence of regulatory bodies and with the chaos to which the country sled, major agricultural land run was done in a short time span on one fold. On the other fold in terms of regional and national housing questions, there has been both an illegal and legal impacts. Illegal in terms of vandalism and the taking by force of the vacant public housing units, and settling there in a non regulatory basis, and legal in terms of giving similar housing units to slum residents as a direct reform action from some related sectors to the ministry of housing, hence, helping in solving the housing problem and growth of slums. The paper, therefore attempts to establish the relationship between a digital networking action with physical impacts on the ground as the direct and indirect results of the Lotus revolution.

STATE RESCALING AND SUB-REGIONAL GOVERNANCE IN THE UK: THE OCCLUSION OF RURAL AREAS?

David Shaw, University Of Liverpool, UK

Simon Pemberton, University of Birmingham, UK

The recent spatial and scalar turn has been reflected in a fundamental restructuring of the territorial spaces and scales of state activity (Mahon and Keil, 2009). On the one hand there is a broad shift evident towards a reduction of state intervention in ‘middle-range’ governance spaces (see Bevir, 2010), such as regions. Alongside such shifts, there has also been a reinforcing and redefining of the localist agenda, and with a new focus on multi-scalar meta-governance and the role of sub-regions. The underpinning for the sub-regional turn can be related to three main causes (Pemberton and Morphet, 2010). The first is economic – small states and contained places, bounded by interest rather than administrative convenience, are shown to be more economically successful (Cheshire and Magrini, 2006). Second, the interrelationship between policy delivery and governance is seen to be a key to success (Lascoumbs and Le Gales, 2007). Third, the advance of globalised economies may suggest that western models of hierarchical governance are not compatible with economic benchmarking and innovative economic outcomes (Morris, 2010). Within this context, considerable debate is now emerging in the UK on the nature, coherence and impact of new structures of sub-regional governance. Indeed, Local Enterprise Partnerships (LEPs) have been promulgated by the coalition Government as being better positioned to reflect ‘real’ economic geographies and functional economic areas (FEAs). The functions of LEPs cover aspects of planning, housing, employment, local transport and infrastructure and, in some areas, tourism. However, whilst we should not be surprised at the emergence of new geographies of the state and the “new state spaces” that are emerging (Brenner, 2004), there has been much more emphasis on the implications for urban areas and “city regionalism” (Gore and Fothergill, 2007). Conversely, less attention has been paid to the impact of such structures on rural areas and the ‘active production’ of these new rural state spaces. This paper attempts to address this lacuna in knowledge as the intensity of disadvantage in rural communities can be comparable to that found in urban areas, yet often remains hidden and with services being more costly to deliver (Woods, 2005; Gallent et al, 2008). Furthermore, as policy agendas have become increasingly mainstreamed according to thematic priorities as opposed with dealing with urban or rural agendas, there have been growing concerns that the specific needs of rural communities should not be lost. Consequently, the extent to which appropriate functional, institutional, administrative and territorial arrangements can be developed to secure the effective governance of both rural and urban areas, and to ensure fairness in outcomes is argued to be a key issue warranting further exploration. Given that many of the LEPs that have been approved cover substantial rural areas, this raises interesting questions about their ability to both govern and deliver various aspects of rural policy which meets the needs of specific localities. This paper therefore explores such issues by considering the importance of the dialectical relations that exist between broader processes of state restructuring and local political strategy on the changing nature of objects of governance being promoted in rural areas under LEP arrangements, their respective inclusivity, the ‘spatial imaginaries’ being defined (Jessop; 1997) and the implications for the territorial coherence of LEPs operating across rural territories.

NEW REQUIREMENTS FOR FINANCING THE REGIONAL DEVELOPMENT IN POST-CRISIS UKRAINE

Olga Shevchenko, National Institute For Strategic Studies, UKRAINE

Social and economic development of regions in Ukraine is unequal. The most significant inequality is in the indexes of Gross Regional Products: the share of Kyiv city is 18 %, Donetsk and Dnipropetrovsk regions have 11 and 12 % accordingly, and parts of others 24 regions is much less. Market-driven economy requires special methods of adjustment in order to prevent a decline of development indexes in some regions and excessive increase of economic potential of Kiev city region as well as weakness of other regions. On the other hand, insufficient level of market transformation partially defends the regional economy from the crisis. Weak integration of Ukraine in the world economy and raw material orientation of its export didn't allow crisis to progress in all regions – the crisis influenced all regions differently. The biggest defects were seen in the highly

developed regions, which have industrial and construction base. Long productivity cycles in agriculture sector didn't allow crisis to spread there. The downfall of salary and growth of employment level were observed in all regions. Crisis period has shown the lameness of budget levers of adjustment of regions. Financial disability of local authority appears in annual increase of general grants (42,8 %, 44,3 %, 49,0 % in the first half of 2008, 2009, 2010 accordingly) and in the decrease of local community resources and special grants. Crisis affected those local resources, which depend on the intense economic activity – personal income tax, corporative tax on small and medium enterprises. Other resources such as land tax and tax on vehicles, called “property taxes”, were insensitive to the crisis. Post-crisis tendencies of investment in regions demonstrate a renewal of pre-crisis rates of increase. Portions grow in the most developed regions, such as Kiev city (18,1% in the internal capital input), Donetsk (8,8 %), Dnipropetrovsk (8,7 %) regions. Business fills a lack of internal resources for investment and it results in the enhancement of attention to the external sources. And, there is a disproportion: Kiev city has 49,8 %, Dnipropetrovsk region has 17,1 %, Kharkiv region has 4,9 % in the foreign direct investments. The significant attention in the regional policy should be paid to the activation of non-fiscal instruments of financing the regions. Local bodies can influence the economic development of regions by the legislative acts which have local impact; midterm strategies and short-term programs of regional development are among them. Possibilities of local authorities to partially influence the local enterprises, amount of investments and maintenance of their effective use are reflected in these documents. Local authority can create favorable conditions for investors (preferences in credit operations and in taxation of export, as well as in the use of accelerated amortization tempo), who deposit priority directions in certain region, in agriculture, high-tech projects, use of alternative sources of energy, produce ecologically safe products, create new working places, develop market infrastructure. State assignments and contracts provide real sale market and certain guarantees for enterprises; promote the renewal of productive capacity, facilitate equal allocation of resources and absorption of new technologies. Positive example of the public assignment (contracts) is a background for the final of football championship 2012, planned to be held in 4 the biggest cities – Kiev, Donetsk, Kharkiv, Lviv. General grants predominate in the structure of local budget incomes. Nevertheless, a priority of specific grants restricts the liberty of choice; and their use is not reasonable. To solve this dilemma more reasonable instruments should be selected – credit and special investment grants. Investment grants can enforce a co-operation between regions and promote the effective utilization of funds. Huge amount of investment resources can be achieved by the emission of local capital assets. This instrument of capital market is used only in 5-6 big cities. Insufficient transparency of operations on capital market, restricted access to information on issuers' activity and contemporary economic situation of certain territory, short (1-3 year) term of issue of bond, irrationality of bonds' input and unsafe investment project hinder the active inclusion of other municipalities in the process of local capital assets' emission. Due to the lack of budget funds to solve internal problems of territories the financial sufficiency of regions can be enhanced by formation of widespread network of various financial associations, credit unions and communal (municipal) banks. These organizations can accumulate investments, stimulate the development of labor market, create the market infrastructure, and multiply local resources for solution of problems. And they should have rights to acquire municipal capital assets. These instruments can free the state budget from the necessity to spend additional funds on regional development and provide the next positive effects: to optimize the use of local resources, to resolve regional problems (primarily social), to improve the investment climate and to increase the public welfare.

Gateway D3

META-NARRATIVES AS HEURISTIC GENERALISATIONS OF RURAL CHANGE

Mark Shucksmith, Newcastle University, UK

Meta-narratives as heuristic generalisations of rural change. Mark Shucksmith, Hilary Talbot and Richard Lee Newcastle University This paper reflects on the way that meta-narratives were used in the EDORA project as heuristic generalisations of rural change in Europe. An overview of the issues and processes of change underlying current spatial patterns of differentiation between rural areas across the EU is presented in terms of a series of narratives, namely an overarching process of increasing connectedness and interdependence (or ‘connexity’), within which we may identify three alternative accounts which propose the key driver of change to be agriculture, urban-rural relations and global-local relations respectively. Each of these contrasting perspectives offers a different explanation of the changes affecting rural areas and leads to slightly different conclusions about how to promote rural growth. They correspond loosely to the competing viewpoints of

European Commission policies on the Common Agricultural Policy, Regional Policy and the Lisbon Agenda. Two inter-related issues emerge from these discussions as key to understanding the changes affecting rural areas in Europe, and the spatial differentiation which is emerging. These are, first and foremost, the nature of the interaction between places (eg. relational or Euclidian), and, second, the 'assets' on which people can draw in 'shaping' the future of their place in relation to other places. In terms of the development of a typology of rural regions this poses a considerable challenge. While it is straightforward to measure and map physical distance between rural and urban places, it is much less clear how to map or measure interactions in relational space and the often intangible assets identified by numerous researchers as central to these processes. In terms of policies, whichever type of interaction between places is seen as more important in explaining rural change will suggest a different focus for state intervention. Thus, if rural areas' spatial differentiation were explained primarily in terms of proximity to cities, governments might prioritise investment in transport infrastructure and physical accessibility to bring more rural areas within urban zones of influence, encouraging a greater reach of commuting into urban labour markets. On the other hand, if rural places are seen to have their own endogenous potentialities in interacting with places near and far, drawing on their social, cultural and institutional assets, then governments might instead engage in a much broader range of interventions: building institutional capacity and social capital; investing in education, training and digital inclusion; and fostering local entrepreneurial spirit. Our conclusion is that both types of intervention are vital, but that the second has been relatively neglected in many rural areas. Furthermore, the breadth of the range of interventions required in many rural areas represents a challenge for the coordination and integration of policies among the plethora of agencies engaged, not only horizontally within the area but vertically through multi-level governance.

Gateway M1

REGIONAL DEVELOPMENT IN CHINA: THE NEW FIVE YEAR PLAN 2010-2015 AND THE IMPLICATIONS FOR CITIES AND REGIONS: A CASE STUDY OF HANGZHOU AND XIAMEN: INNOVATION AND TALENT MANAGEMENT IN HIGH TECH ZONES

John Shutt, Leeds Business School, UK

The paper will examine the changing Chinese economic policies for cities and regions and in particular focus on research in Hangzhou in Zhejiang province and Xiamen in Fujian Province. It will look at policies for encouraging growth in high technology industries and zones and examine company case studies focusing on research and development and innovation at the City-levels in the context of the previous and the new five year Plans and the implications for Chinese companies who are going global.

Gateway H

CULTURAL-COGNITIVE VIEW TO LOCAL POLICY ADOPTION: CASE FINNISH REGIONAL INNOVATION POLICY

Kirsi Siltanen, University Of Tampere, FINLAND

As regions are more and more considered competitors in the global, national and interregional contest of prosperity and economic growth, an important key to regional prosperity is believed to be found in regions' endogenous processes, such as ability to explore new possibilities, exploit the existing ones and counter possible threats. One part of these endogenous processes is policy adoption and adaptation. Regions adopt different policy methods in order to gain more possibilities for regional development or to tackle the problems in sight. As policies are often not directly applicable, one part of the adoption process is the adaptation to local political, economic and social circumstances. Culture is expected to affect regional development policies by providing different strategies for this adoption and application process. Nevertheless, among the wide field of analysis on policy processes there are mostly just hints and presuppositions about the role of culture. Culture is more often shrugged off as a black box than analysed as one of the influential factors in regional development policy. This paper explores the conceptual and empirical possibilities of understanding the role of culture in economic development policies through presenting an on-going Ph. D research on cultural-cognitive coordination within groups of local innovation policy actors. In the research I, firstly, examine what kind of cultural schema markers, such as core concepts, analogies and metaphors, groups use as they speak about local innovation policy

and what kind of schemata they refer to. Secondly, I analyse the differences and similarities of these schemata both within and between the groups. Thirdly, I examine if cultural-cognitive coordination can be used as a conceptual tool to understand the relationship between cultural schemata and local policy adoption. The preliminary findings, still to be examined carefully through intensive data analysis, suggest that cultural-cognitive coordination supports (and is supported by) active policy adoption and agency. Generally, the groups with implicit or explicit mechanisms of cognitive coordination have more realistic understanding of local development potential and their own abilities to make change. Within these groups there are more shared schemata for both the conceptual basis of RIS and the ways of transferring them into action within the local conditions. On the other hand, groups that seem to lack cultural-cognitive coordination have more polarised schemata – either you ‘believe in innovation’ or not. This is generally due to a text-book-like understanding of innovation and innovation policy, which is often intuitively incompatible with the local situation. Groups with weaker cognitive coordination usually pursue more formal and binding coordination and cooperation mechanisms than groups with stronger cognitive coordination. The data used in this Ph. D. research consists of 28 group discussions conducted in 2010 within a policy development and research project ‘The present and future of regional innovation policy’. Each group represents a Finnish region participating in a policy learning network of a national regional development policy programme ‘Regional Cohesion and Competitiveness’. Regions in question are mainly small and medium-sized city regions with thin educational and research resources and a newly adopted innovation policy approach.

Gateway C

SUSTAINABLE REGIONAL DEVELOPMENT AND AN APPROACH TO DECREASING REGIONAL DISPARITIES IN TURKEY

M. Oguz Sinemillioglu, Dicle University, TURKEY

In this study, the regional development process of Turkey will be analyzed. Regional disparities, which dominate Turkey's underdevelopment, are one of the main subjects in almost all countries. First, this study will analyze the evolution of regional development in Turkey and the situation in Southeastern Anatolia Project (SAP) region. The process will be examined before, during, and after the SAP has been carried out by applying a formula used by Turkish Statistical Institute (Turkstat). Regarding the method, the development level of the SAP region and other regions of Turkey in given time periods are questioned and evaluated. This study will then examine and understand underlying reasons of disparity and importance of applied projects, which is a good opportunity to examine the development process. For the main findings, size and scale are vital; infrastructure is an important element in regional development, but it does not guarantee the elimination of disparities; and development is possible without special projects.

Special Session

SDIN PRESENTATION

Roel Rutten, Radboud University And Tilburg University, THE NETHERLANDS

The Social Dynamics of Innovation Networks (SDIN) mobilises a European network of innovation researchers studying the 'softer' (non-economic) elements of innovation. Comparative innovation research looking at local activities in global networks has to date been dominated by economic approaches which overlook social innovation characteristics. SDIN explores social, cultural and human dimensions of innovation networking and territorial innovation capacity facilitating knowledge exchange in innovation networks. Concepts such as social capital, norms and values, socio-cultural diversity have been identified as important drivers behind innovation in networks but they do not feature prominently in the literature. This special session is the kick off for a new initiative, SDIN, which brings together researchers from across Europe, and beyond. In the coming years, SDIN will organize several international research colloquia to present and discuss research on the social dynamics of innovation networks and to publish it in (special issues of) journals and edited volumes. After a short introduction by the organizers, this session continues as an open floor discussion. The organizers invite researchers to this session who want to make a serious contribution to research on the social dynamics of innovation networks.

REGION IN THE METROPOLISATION PROCESS. CONTEMPORARY CHALLENGES AND THE PROBLEM OF REGIONAL IDENTITY. THE CASE OF SILESIA REGION

Veronica Slezak Tazbir, University Of Silesia, POLAND

Metropolitan Association of Upper Silesia, formally established in 2007, is an initiative of 14 cities located within the Upper Silesia and Dabrowski Basin in Poland. In a long perspective, Silesian metropolitan region would be like Ruhr Basin or Nord Pas de Calais, because like these regions also Silesia is an old industrial region inhabited by 2 million - the he largest metropolitan centre in Poland, and one of the largest in Europe. This metropolitan region generates 67% of the region's GDP and 6 % of the country's GPP. There are almost 200,000 business entities registered there. The service sector is predominant – 60 per cent of all companies. The single coherent metropolitan region is a great opportunity for economic growth and level of living of its inhabitants. For a sociologist this metropolisation process is very important for many reasons. Strong and defined identity may become a barrier in creation of one multidimensional territorial metropolitan system. As Ronald Robertson notes, we can observe some globalisation process which is characterized by reconstruction and revitalization of regional culture and regional identity - he named this process as glocalisation. Silesian metropolitan region is culturally heterogonous, composed of at least two different identities. The first one – western - is strongly associated with the culture of the Silesian historical region. Silesians have their own cultural traditions, many cultural rituals which are also strongly associated with their traditional religious affiliation. The second, the eastern one (called D'browski Basin), is culturally completely different from the Silesian part of the metropolitan region, which is the result of its different traditions and political and economic history. Thus, the Silesians have their own dialect and many customs that more or less are derived from the German culture. Inhabitants of D'browski Basin don't know the Silesian dialect and have many different cultural customs. There have always been various animosities and social conflicts between these groups. The football stadiums are a clear example of these tensions – the “wars” of words and banners are conducted at any occasion. Also internet gives many possibilities to express the hostile feelings towards other cultures and identities. Can the process of institutional metropolisation be smoothly performed on a dichotomous regional society? Will the historical hostilities not break it, a at leas delay the social, economic and institutional integration of the region, and creation of a common regional identity? Will the current barriers in common understanding, so strong on the grass-root level, be overcome by agreement and cooperation of the elites of particular cities which joined the Metropolis Silesia? These questions will be dealt with on the grounds of two theories: the Inkeles's conception of modern man, and Florida's concept of creative class.

WESTERN TRANSDANUBIA AS REGIONAL KNOWLEDGE BASE

Melinda Smaho, Szechenyi Istvan University, HUNGARY

Western Transdanubia is an economically developed, strongly industrialized region of Hungary. Its leading economic sectors are mechanical engineering (vehicle industry, electronics industry), tourism (thermal and health tourism), environmental technology (environmental resources, timber and furniture industry, renewable energy), and knowledge industry (higher education). However, its R&D capacities are modest than its economic weight. The institutional framework of its R&D capacities consists of universities, regional university knowledge centres and cooperational research centres (in the latter case with participation of enterprises located in the region). At the beginning of the 1990s the region started to show a dynamic economic development, thanks to the instreaming foreign direct investment. However, the capital attraction and the economic development was based to a great extent on the supply-oriented location strategy, the region's knowledge base and traditions in mechanical engineering and vehicle industry played a very important role in the location choice of at least one part of the incoming enterprises. After all, it cannot be regarded as accidental that even these companies settled in Western Transdanubia. In the middle of the 1990s these resources started to fail, and therefore the region was forced to change its strategy and build out a new innovation system. At that time, the region started to follow a knowledge-based development path. The aim of my paper is to analyse this region from the point of view of its knowledge base, following the definition of Holzinger (1998), Karlsson and Johansson (2006) and Cooke (et al. 2007). The aim of my research was to identify the characteristics of the

region's knowledge culture. Next to studying the theoretical and empirical literature, I carried out a survey (N = 401) in order to measure in which extent firms require and acknowledge the creativity of their employees as well as their willingness for lifelong learning. Another dimension of my survey was the measurement of firms' demand for patenting. My research proved that Western Transdanubia can be regarded as a synthetic knowledge base, and at the same time also explored some factors which confirm the weaknesses of the regions's knowledge culture: the relations between the university and industry spheres are weak, knowledge creation institutions do not take advantage of their international relations, the cooperation with the knowledge transfer institutions are weak, the firms' demand for patenting is very low, as well as employers require from their employees creativity and willingness for lifelong learning in a greater extent than they acknowledge it. Accordingly, it can be stated that the weaknesses of the region's knowledge creating capacities and knowledge culture still restrict the evolvement of a really knowledge-based development. To sum up, it can be concluded that knowledge has played a moderate role in the development of Western Transdanubia.

Gateway S

EUROPEAN STRUCTURAL FUNDS IN NORTH EAST ENGLAND: A PRACTITIONERS VIEW

Peter Smith, Retired European Programme Manager, UK

European Structural Funds in North East England: a Practitioner's View The author has been involved in the preparation, implementation and management of Structural Fund programmes in North East England – the region in which the conference is based - since 1989. As such, a wide ranging perspective of the evolution of the Funds during each of the programming periods can be drawn upon. The paper will commence with a brief overview of the North East region, focusing on its economic characteristics and then consider the appropriateness of the contributions that Structural Fund programmes have made in addressing the region's weaknesses. The characteristics of each generation of programmes will be described, noting, for example, the shift in emphasis from capital-intensive expenditure in the early years to ever more focussed interventions to support businesses, latterly driven by the original and renewed Lisbon agenda. This will be illustrated by drawing upon material that shows the typology of programmes in North East England, and the volumes of expenditure associated with different categories of actions. Structural Fund programmes are not developed in a policy vacuum. An assessment will be made of the degree to which the strategic direction and content of programmes in the North East was influenced by such policy drivers as the 1989 reform of the Structural Funds, the Commission's 1993 White Paper on "Growth, Competiveness and Employment" and the Lisbon strategy of creating "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion". Moving from this policy backdrop to more practical issues, each generation of programmes has brought new challenges for programme managers. In some cases the challenge has been one of adopting measures to achieve "simplification" of processes. Experience has been that, while steps to simplify have been welcome, there have on occasion been simultaneous developments that create greater complexity. This will be reflected in the paper, illustrated by examples of some of the practical issues that have arisen in the process of Programme development and management, taking into account key steps in the programme cycle, from ex ante to ex post evaluation and all stages in between. A general assessment of the changing institutional dynamic over the years, taking into account the roles of players at local, regional, national and European levels, will be provided. More specifically, the paper is being written at a time when the institutional architecture of economic development in England is undergoing radical reform and it is appropriate to look at this in the context of the North East. This includes the demise of the Regional Development Agencies and the Government Offices in the regions, respectively responsible for managing the current ERDF Programmes and providing the chairperson of the Programme Monitoring Committee. The implications of these changes, with particular reference to the position when the next round of programmes commences in 2014, will be outlined. The paper will conclude with an assessment of the main messages that are emerging from the Fifth Cohesion Report and its relationship with the Europe 2020 initiative and its overarching objective of "Smart, Sustainable and Inclusive Growth". The assessment will consider the extent to which, if adopted, the Report's proposals will affect the process of Programme management, either positively or negatively. An initial view is that it could be argued that a significant proportion of the Report's conclusions represent "more of the same" – plus ca change!. Peter Smith 31 January 2011

TERRITORIAL ATTRACTIVENESS AND MOBILITY FLOWS ACROSS EUROPE: CLASSIFYING REGIONAL 'MILIEUX' AS POINTS OF ATTRACTION

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The right of every EU citizen to free movement (as visiting, migrating or settling) within the Union is one of the fundamental principles of the EU. The ATTREG project (“the attractiveness of cities and regions for visitors and residents” funded under the ESPON 2013 program) sets out to conceptualize, map, and analyse the relationship between inter-regional flows of people and the capacity of regions to attract these inter-regional flows. Given current scenarios of EU demography that combine the impact of aging with the impact of unimpeded mobility, it is important for European regional policy makers to understand how they might be able to influence the spatial distribution of people in order to achieve a smart, inclusive and sustainable Europe (especially in relation to the tourism-migration nexus – see Hall and Williams 2002). The ATTREG project thus contributes to a better understanding of the pattern of people flows across Europe. This paper presents preliminary results focusing on regional classifications of attractiveness (characteristics of territories that attract mobile populations) and of regional classifications of attraction (the patterns of movement amongst mobile populations). These regional classifications are to be used in the subsequent stages of the on-going project. Building on literatures considering the motivations for migration and visiting (ranging from Borjas 1994 to Florida 2002) that touch on economic, cultural and amenity-led (including quality of life) attractiveness the project has developed six dimensions of territorial attractiveness (“endowment” measures, and used to calculate stock and change indicators over the first last decade). Equally recognising that the ‘mobile’ population is made up of a range of sub-groups (see Sheller and Urry 2006), the project has collected measures of mobility for four classes of “mobile populations” discriminating between types of mobility (visiting and migrating). However variability between (territorial) attractiveness and attraction (outcomes) suggests that there remains a role of mobilisation for local, regional, national and European policy makers. Thus attractiveness does not only depend upon the apparent territorial assets of a region but also depends upon the capacity of policy actors to make these assets ‘work’ (through appropriate policy or through appropriate forms of ‘learning’ governance). The paper concludes by proposing three further research steps to make these findings useful to policymakers across Europe and at its borders.

TOWARDS A 'NEWER' ECONOMIC GEOGRAPHY? INJECTING FINANCE INTO ECONOMIC GEOGRAPHIES

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This paper argues that despite the proliferation of new economic geographies of various kinds, the new geography approaches have failed to grasp the fundamental processes underway in contemporary capitalist economies. While the focus of much of the new economic geography has been on the transformation towards knowledge-based economies and learning regions, the tendency towards financialisation has been overlooked and the role of finance in shaping economic geographies has been largely ignored. Given these shortcomings, it is not surprising that the new economic geography has a limited analytical handle on the current financial and economic crisis or the inequalities it will (re)produce. This, in turn, creates a need for alternative, 'newer' economic geography approaches to be mobilised. The paper argues that such a newer (newest) economic geography needs to start by injecting finance into conceptualisations of economies and their uneven geographies.

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In this paper we analyze the systemic risks of the northern border as part of the globalization processes that have increased a complex interdependence between Mexico and the United States. Economic growth in the border area from the industrialization model of exporting maquiladoras is contrasted with the effect it has on social and human development of its people, particularly related to living standards, education, health and urban development. Systemic risks are related to the problems of migration, environmental degradation, public health, drug, social inequality and deterioration of the security apparatus. The police tightening measures and the militarization of the area are analyzed to understand the lack of governance in the area and the dangers of the proliferation of systemic risks translate into a serious crisis of governance. In the border between Mexico and the United States border has a complex interdependence, and in recent years has shown an increase of global systemic risks. The extensive media coverage of these systemic risks had created a perception of a daily danger and loss of personal and collective security. The degree of cross-border governance capacity is determined by the cooperation of stakeholders (governments, international agencies and civilians) on both sides of the border, to respond effectively, legitimacy and stability to the global systemic risks and social demands. The map of governance of nation-states are located, with respect to their capacity for action in four areas that are effectively manage the economy, promote social welfare, maintaining law and order and political stability. In particular, we will raise as a central point of the work that the multiplication of global systemic risks has led to a loss of cross-border governance and the eventual transition from a deficit of governance to a profound crisis of governance. The concepts of global systemic risks and transboundary governance will be used to analyze the dynamics and transitions that have been occurring in the increasingly complex interdependencies in the border area. At first we will analyze the presence of systemic risks in the border area from the dimensions of income, health and education that make up the Human Development Index (HDI): cross-border governance components of effective management of the economy and the promotion of social welfare. Additionally it will discuss the urban growth of the twin cities of the border. Subsequently, it will consider cross-border governance in the area, in relation to their ability to maintain order and ensure political stability through the responses that have been given conflict, and the notions of state failure and governance deficits. o translate into a serious crisis of governance.

Markku Sotarauta, University Of Tampere, FINLAND

This paper investigates the institutional change process underpinning local and regional development by focusing on the roles institutional entrepreneurs play in time and forms of power they exercise. Institutional entrepreneurs can be organizations or groups of organizations or individuals or groups of individuals who act as change agents (Battilana, Leca & Boxenbaum, 2009) and hence, they are actors who initiate divergent changes and actively participate in the implementation of these changes. The main aim of this paper is to a) analyse how institutional entrepreneurs influence the course of events and b) scrutinise the forms of power that are needed in their efforts to change institutions. This paper shows, first, that institutional entrepreneurship is a multi-scalar and multi-actor force in time and, that no single actor leads the process in a conventional sense but that there are several actors who play leading roles in different phases of the process. Second, this paper argues that institutional entrepreneurship is a strategic relay of power and knowledge in time and, third, that by focusing on institutional entrepreneurship and power fresh analytical leverage can be gained for regional development studies. This paper is based on two case studies: institutional change for regenerative medicine in Tampere, Finland and building institutional base for academic research in a less-favoured Finnish region (South Ostrobothnia). The cases are used to discuss how institutional entrepreneurship and power evolve in different institutional settings.

André Spithoven, Belgian Science Policy, BELGIUM

Recently the claim is made that innovation enters a new 'era' involving deliberate and intense knowledge exchanges of firms with other organisations. So far, the story-lines on open innovation are appealing to practitioners, and most studies in this field read very well indeed. On regional level the empirical evidence on open innovation differences is much more limited. This contribution aims to fill this gap. Our analysis is based on the Community Innovation Survey (CIS) Belgium in 2006. Innovation policy in Belgium is organised at regional level (NUTS1). The survey has been organised for over a decade and gave rise to a harmonised set of data which facilitates comparability over different geographical scales. Open innovation is captured by some of its most outstanding dimensions. Four open innovation practices pass in review: search channels used by the firm; possibilities to call upon external R&D activities; engaging in cooperative agreements; and using protectionist appropriability mechanisms. This limited list implies that not all intricacies of open innovation are captured, and those that are, are not always free from measurement errors. The aim of this contribution is twofold. First, the analyses capture the presence, use and appreciation of open innovation practices in three different regions. Second, the effects of open innovation practices on the innovative performance of firms are analysed. Because several general framework conditions of innovation are the same for all regions (e.g. tax rates; social security; labour market) and innovation policy is strongly regionalised, the case of Belgium focuses on the impact of regional policy. The goal is to use these indicators in the appreciation of open innovation as a means to better innovative performances. Two indicators of performances, again drawn from the CIS data, are used as dependent variables. Two firm level control variables were added: the (log of) the size of employment and the R&D intensity. These variables are deemed instrumental for innovative activities. The first performance measure entails the introduction of product innovations new to the market. As this is a dummy variable, the econometric technique of probit equations is appropriate. Four models are considered for the three regions and Belgium separately. The first two models look at the effects of the composite indicators of open innovation practices: (i) total open innovation; (ii) open innovation variety and intensity. The next two models are directed at the underlying four dimensions of these composites: search strategy, external R&D, cooperation and appropriability. Model (iii) confronts the intensity of open innovation practices with the variety of the four dimensions separately; and Model (iv) reverses this by keeping the variety of open innovation constant and considers the intensity measures of the four dimensions. Each time, these analyses are done for all three regions and Belgium as a whole. The second performance measure refines the previous one by taking the share of turnover due to the product innovation on board. This time the same analyses as above, using the same control variables and open innovation measures are performed, but due to the dependent variable being a fraction between zero and unity, the econometric technique used is a fractional logit regression. Again the analysis is run for all regions separately and for Belgium. Several effects of open innovation are considered: (i) on R&D intensity; (ii) on the introduction of new product innovations; and (iii) on turnover generation from product innovation. Finally, the international linkages are discussed. An important corollary of growing internationalisation and openness of the innovation process is its interaction with other agents. As the international linkages are particularly important for a small open economy as the Belgian one, this is even more so for its constituent regions. The various dimensions of open innovation will be examined for Belgium as a whole and its regions separately. More and more firms are engaged in networks. In the case of small and open economies, these networks are for an important part located outside their borders. In this section the focus is on the international innovation networks. Three types of innovative cooperation are examined: horizontal cooperation with competitors and other firms inside and outside the sector; vertical cooperation in the value chain with clients and suppliers; and scientific cooperation with universities and public research organisations. To look at the impact of international networks, domestic networks are brought in as reference cases. As before the implication of belonging to specific networks is related to innovative performance. This innovative performance is conceptualised as a dummy variable on the introduction of products innovations new to the market. By confronting these empirical insights with the main tenets of regional innovation policy, the regionalised character of innovation becomes clear.

EXPLORING CENTRAL-LOCAL RELATIONS IN WALES POST-DEVOLUTION: THE CASE OF TRANSPORT POLICY

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The introduction of devolution in the UK raised key questions regarding the relationship between newly devolved levels of government and existing local governments. There has been much debate regarding the extent to which devolution has driven a 'regional centralism' or 'decentralisation of centralism', characterised by devolved administrations grasping powers from local governments rather than drawing powers down from central government. The Government of Wales Act 1998 which introduced the National Assembly for Wales explicitly required the relationship between the Assembly and local government to be based on a 'partnership' model. However, the stability of central-local relations appears to have been undermined by at least two key structural pressures. Firstly, the form of devolution introduced in Wales, characterised by the incremental transfer of further functions and powers to the Assembly, has meant that the institutional setting for central-local relations has been subject to regular fluctuations. Secondly, the system of twenty two unitary authorities established by the 1996 reorganisation of local government in Wales has come under increasing criticism in recent years for being overly fragmented and therefore lacking the capacity to deliver public services effectively. A key challenge for both the Welsh Assembly Government and Local Authorities has been responding to these concerns without undergoing the unappetising prospect of the wholesale reorganisation of local government in Wales. This paper draws on the case of transport policy to explore these issues and the changing character of central-local relations within Wales. Since the mid-1990s the governance of transport policy in Wales has been characterised by several distinct phases of institutional and organisational change which have shaped central-local relations. However, the paper focuses specifically on the period following the transfer of further transport functions to the National Assembly for Wales via the Railways Act 2005 and Transport (Wales) Act 2006. The legislation conferred on the Welsh Assembly Government a number of key functions, including the statutory duty to develop a Wales Transport Strategy, powers to ensure the delivery of national policy priorities through statutory Regional Transport Plans and the option to establish Joint Transport Authorities (JTAs) as delivery bodies. However, the Welsh Assembly Government has eschewed establishing JTAs and has instead been committed to working with the pre-existing voluntary partnerships established by local authorities, the Regional Transport Consortia. The Consortia have been identified by the Welsh Assembly Government as an exemplar in establishing 'bottom-up' arrangements to promote collaborative decision-making between local authorities within Wales. However, there are question marks regarding the effectiveness of these arrangements for transport planning and delivery and the extent to which the relationship between the Welsh Assembly Government and the Regional Transport Consortia can be accurately described as reflecting a 'partnership' model. This paper draws on the established literature on central-local relations to explore these issues through an in-depth analysis of the partnership arrangements established by the Welsh Assembly Government and Local Governments in developing their strategic plans and the emerging mechanisms around delivery. It draws on key documentary data and semi-structured interviews with officials within the Welsh Assembly Government, Regional Transport Consortia and regional and local stakeholders involved in the governance arrangements.

REGIONAL DEVELOPMENT IN THE ERA OF GLOBALIZATION: THE SOUTH MORAVIA CASE STUDY

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Globalization is one of the key challenges facing rural regions in EU. It is bringing significant social, economic, cultural and political changes. Current research dealing with the impact of globalization on rural regions tends to focus on specific sectors, processes or localities. Presented results are part of the 7th FP project called Developing Europe's Rural Regions in the Era of Globalization (DERREG). The objective is to introduce and primarily analyze the region of the South Moravia in the Czech Republic in the context of the DERREG project, to characterize it as a rural territory and to position it with respect to globalization tendencies. The first part of the Business network questionnaire for the Czech case study took a place during spring 2010. Forty five Small

and Medium-Sized firms have replied to our questionnaire sent to them by email. Despite showing a rather good distribution when it comes to geographical location, firm age and sector of activity cannot be considered as representative of all SMEs located in the South Moravian Region. Yet, the responses provided us a valuable insight on how SMEs located in such territorial setting are able to develop and maintain a certain structure of their business network. The second stage of activities dealing with structured interviews, which was done during July, August and September 2010 followed after the first one “collecting and analyzing questionnaires”. The aim of this survey was to find out more information about the activities of small and medium-sized businesses in the South Moravian region. The interview extended given questions in the questionnaire. Main focuses during the interviews were primarily on completing the table formed the basis for the major output of this phase, which is the “Actor map”. This map is based on a simple matrices to show how important is each group of actors for the business at different geographical levels. The same as for all case studies, an initial task was to describe the sampled firms, and to place them into groups according to their ‘line of businesses. The analysis allowed the interviewee to classify the firms according to the dominant function of their networks. These two classifications were key structural elements for the discussion of the configuration of the Actor Maps, through some simple quantitative analysis. It is important to stress that this analysis was only indicative, and that no claims are made to statistical representativeness. In the same spirit, the interviews are the source of a material, supporting an essentially qualitative approach. The majority of companies were not affected significantly by the crisis. The worst years for them were 2008 and 2009 where profits decreased in all areas of activity. The crisis mainly affected commodity prices, which hit significantly the entrepreneurs in agriculture. Generally it is possible to say that customers did not stop buying, but they prefer mainly cheaper goods. The crisis has slightly reflected in the salaries of employees. Small businesses agreed that in the time of crisis it is much harder to succeed in the market against supermarkets and wholesalers, who can afford to lower the prices. However, even during the crisis, firms try to keep their regular partners. Positive side of the crisis can be the fact that much more companies try to get into foreign markets where they get offered better prices for some commodities (e.g. milk). This is typical for neighboring countries as Austria, Germany, Slovakia and Poland. The majority of respondents agreed that the crisis is retreating and they look optimistically into the future. The third stage of the research focusing on “the best practice” is currently being finalized.

Gateway B

MIGRATION AND DYNAMIC AGGLOMERATION ECONOMIES: REGIONAL INCOME GROWTH IN NORWAY

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The existence of agglomeration economies is well established. Productivity and income are higher in urban areas compared to rural. This stylized fact can be observed in all industrialized countries. The key sources of agglomeration economies are related to matching of worker skills and firms in larger labor markets, the specialization and differentiation of intermediate inputs, and the role of knowledge spillovers. The level agglomeration effect means that large population flows to urban centers may generate economic gains. It follows that we expect higher income growth in urban regions and income divergence when people move from the periphery to cities. We investigate the relationship between migration and income growth in Norwegian regions during 1972-2008. To capture the dynamics and the heterogeneity among regions we work with distribution analysis, Kernel density functions and first order Markov chains. The analysis concentrates on tests of the dynamic characteristics of regional income growth and their links to changes in the population sizes. The analysis shows a consistent pattern of urbanization during the past four decades. People have moved from the periphery to urban centers. During this period of large shift in the population to urban areas, incomes have converged towards unimodal distribution of per capita income, contrary to the hypothesis of agglomeration economies. The analysis is made both at the level of 396 municipalities and 89 economic regions defined by the European Union classification (NUTS-4). The relationship between migration and income growth has been studied in detail for municipalities with more than 5.000 inhabitants in 2008. We separate between municipalities with relatively stable population and municipalities with strong immigration, and find that the probabilities of moving up and down the income distribution are independent of the migration pattern. The hypothesis of equal transition probabilities across municipalities with different migration pattern cannot be rejected at 5% significance level. Regions with large increases in population do not show systematic higher income growth. We conclude that strong dynamic agglomeration effects linked to immigration, where high income urban regions take off and generate income divergence, are inconsistent with the data. Urbanization in

the Norwegian context, with cities in the range of 20.000 to 250.000 except for Oslo's 500.000, seems not to offer dynamic agglomeration economies. The overall income convergence reflects heterogeneity in the underlying income process. Small regions with resource based activities have had strong growth. In our dataset many small regions take benefit of incomes related to oil extraction, electric power production and salmon production. During the period under study the public sector has expanded in terms of revenue, spending and employment and with employment growth spread out with the use of central government grants to local governments. The grants have been part of regional policy and have led to high ratios of public to total employment in the periphery. The employment effect together with equalization of public sector wages across the country have been important factors in the income growth observed in rural regions. The lack of income growth response to the large immigration in the cities is somewhat puzzling. It seems like homogeneous institutions across an open integrated market are conducive to convergence and that dynamic agglomeration effects related to migration are limited. Possibly agglomeration effects are of less importance in a setting where knowledge and technology are available for all regions. The lack of a relationship between population shift and income growth also may reflect the industrial structure. The literature indicates that manufacturing industries enjoy less agglomeration effects, but manufacturing industries have not been a major factor in the urbanization in the dataset. The urbanization in the data has rather been dominated by service sector growth. The service sector has been identified as a more important source of agglomeration economies in studies of industrial composition effects, possibly as a supplier of intermediate services to industry. The service employment expanding in Norway has been driven by the increased consumption level with economic growth based on increasing oil revenues. The lack of agglomeration effect even with service based urbanization may imply that consumption led expansion of urban services carry limited agglomeration effects. It is of interest to have a closer look at the production side of the agglomeration effects. Localization economies may be important although we have not found urbanization economies.

Gateway P

STRUGGLING FOR ATTENTION? THE IMPORTANCE OF CREATIVE INDUSTRIES IN SOUTHERN GERMANY

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Over the last decade the topic of creative industries has gained prominence among academics and policy-makers alike. The creative industries are credited with contributing to economic growth and regional development as well as with enhancing the innovative ability and competitiveness of regions and whole nations. Countless decision-makers have adopted strategies to further the expansion of creative firms in order to boost employment and stimulate the development of this supposedly seminal sector. To discuss the importance of creative industries on a regional level our paper appraises the state and the potential of the creative industries in the Lake Constance district in the southern part of Germany. The aim of the paper is to analyse the present and future economic relevance of the creative industries for this district. Our study has a strong empirical focus. First, we conducted expert interviews to identify the strengths and weaknesses of local creative firms. We then used the findings from those interviews to compile two online surveys sent to creative workers and creative firms across the region. Furthermore, official statistics were analysed in order to gain a detailed understanding of the creative sector's turnover and contribution to total employment. We find that there is a high number of firms from creative industries in the Lake Constance district. However, they only account for relatively little employment and make even less of a contribution to the region's total turnover. One of the main problems resulting from the high number of firms is the extreme fragmentation of the creative sector. Many firms have only a few employees and self-employment is wide-spread. Local customers complain about a lack of professionalism and innovativeness among creative firms. Their employees report that they hardly ever interact with institutions of higher education in the region or frequent venues usually associated with fostering new ideas and innovation. Interaction between creative subsectors must also be described as patchy at best. While creative workers appreciate the high quality of life in the region, they complain about locals' conservative attitudes and lack of openness to new ideas. In addition, the long distances from urban centres are a frequently cited weakness of the location. At the same time, the region is home to a number of firms from the creative industries that can be described as success stories. Among these companies software developers have a particularly eminent position. Other examples include firms from the realms of industrial and furniture design. In an analysis of the factors that propelled these small and medium enterprises to international success we find that a high level of specialisation in niche products at an early stage is a common feature of those firms' respective histories. The empirical

analysis highlighted a common overestimation of the creative industries' economic relevance. Especially in the Lake Constance district, which is characterized by high-technology and manufacturing industries, the creative industries' relevance has often been overstated. Plans to make the creative industries as a whole a cornerstone of the region's future economic development strategy must in our view be looked upon carefully. On the one hand, the district lacks the kind of vibrant creative milieu and attractive cultural venues we usually find in and around large cities. On the other hand, it is unclear how firms can be persuaded to replace their all-encompassing business models with strategies that favour specialisation and the creation of internationally sought-after capabilities. Local demand for creative products is not sufficient to sustain a much larger creative sector, even if there might be room for improvement and some moderate growth if cooperation across subsectors is improved and consolidation among the multitude of very small firms is encouraged. Nevertheless there could be a potential to enlarge the relevance of creative industries for the Lake Constance district. The software industry as a subsector is likely to have the most potential for further development. Software firms in the Lake Constance region have reported consistently strong growth figures over the last years. There seems to be a natural fit between them and the large high-technology firms that form the traditional basis of the local economy. From a regional point of view the importance of creative industries for regional development should not be overestimated and considered in relation to other sectors and its contribution to economic growth and regional development.

Gateway P2

THRESHOLD EFFECTS IN ABSORPTIVE CAPACITY AND THE EFFECTIVENESS OF INNOVATION POLICY: AN ANALYSIS OF A SPATIALLY INTERDEPENDENT SAMPLE SPLITTING MODEL

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The fundamental importance of innovation for economic growth and prosperity is consensus among economists and policy-makers. How innovation is achieved, however, has been subject to an increasingly complex academic and policy debate. Peripheral regions, in particular, struggle to design successful innovation policy. Scale effects and the limited appropriability of knowledge lead many scholars to challenge the traditional advocacy of R&D investments and to suggest a strategy based on the adaptation of knowledge spilling over from other regions (Griliches, 1979; Audretsch and Feldman, 2003; Rodríguez-Pose, 2001). In fact, the effectiveness of both alternatives, R&D investment and reliance on knowledge spillovers, may depend on certain structural, but possibly intangible, characteristics of the recipient region (Rodríguez-Pose, 2001). Human and social capital is often cited as a major constituent of such “absorptive capacity” (Cohen and Levinthal, 1990; Döring and Schnellenbach, 2004). In business economics chiefly, absorptive capacity has been conceived in terms of a minimum threshold (Girma, 2005). In this paper, we provide four major contributions that extend the existing literature. First, we take seriously the theoretical proposition that human and social capital influences innovation outcomes indirectly via affecting the returns to R&D inputs. Hence, we overcome limitations of existing empirical analyses (Akcomak and ter Weel, 2009) that are confined to examining the direct effects of human and social capital on innovation. Second, we achieve this by explicitly modelling absorptive capacity in terms of a minimum threshold that is altering the effectiveness of different R&D inputs. The threshold levels are not arbitrarily chosen *ex ante*, but estimated endogenously. Third, in order to link this empirical approach with the standard analytical framework (Romer, 1990; Jones, 1995), we propose a theoretical formulation of absorptive capacity within the conventional endogenous growth model. We suggest relaxing the assumption of constant rates at which R&D inputs and available knowledge affect new knowledge production. In particular, we allow these productivity rates to depend on absorptive capacity, i.e. measured by social capital. Finally, we theoretically examine the behaviour of threshold models for spatially interdependent data by means of simulation. We present the first case in which spatial OLS dominates spatial 2SLS at high levels of spatial interdependence. We determine that the first stage of spatial 2SLS does not fully capture the implied spatial dynamics. In order to explain our findings, we offer an analytical decomposition of the error structures in spatial 2SLS and spatial OLS and establish a series of conditions that influence the identified bias of spatial 2SLS. We empirically model and test for threshold effects by regressing innovation outcomes on the two principal R&D policy approaches based on R&D investment and knowledge spillovers which are conditioned by the level of absorptive capacity. The R&D policy variables are split into two regimes based on whether absorptive capacity is below or above the endogenously estimated threshold value. The estimation is conducted for 251 European regions covering the EU27 and using data from the 2008 European Values Study.

The four most important results from the empirical analysis imply first that both R&D investment and knowledge spillovers are significant above and below the threshold value for almost all absorptive capacity specifications. Second, the size of the coefficients differs markedly, however. Regions in the low absorptive capacity regime receive significantly lower returns from R&D investment and knowledge spillovers. This may affect the economic rationale for conducting R&D in such regions. Third, the observed geographical pattern is generally similar to the core-periphery split on the basis of GDP per capita. Relatively poor regions, in particular those from Central and Eastern Europe, hardly ever attain the high absorptive capacity regime. Finally, as the most remarkable observation, we find that the threshold values for R&D investment and knowledge spillovers are exactly identical for several absorptive capacity specifications. The rest of the variables are characterised by lower absorptive capacity prerequisites for knowledge spillover assimilation than for R&D investment. Hence, concentrating resources on enhancing human and social capital rather than focusing on R&D investments tends to have a more immediate impact on innovation for lagging regions and allows them to extend the scale of their innovative labour force. Nonetheless, overly relying on knowledge spillovers may imply foregoing innovation by experienced researchers, both as a result of their independent efforts and on the basis of sophisticated knowledge spillovers. The policy implication is to take timing into account and to concentrate efforts on investing in absorptive capacity first until the threshold level, at least for knowledge spillovers, is attained in order to broaden the research community and then to start focusing on R&D investment in order to enhance its sophistication and decrease its dependence on external knowledge inputs.

Gateway D1

BRIDGING THE REGIONAL POLICY GAP: LOCALISM VS. STRATEGIC PLANNING IN RURAL ENGLAND

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The election of a centre-right coalition government in May 2011 in the UK started a radical process of decentralisation and a move to local decision-making in English planning. The newly published 'Decentralisation and Localism' Bill includes the abolition of the strategic tier of planning, the Regional Spatial Strategy (RSS), and the consequent refocusing of planning practice to the micro (community) scale. The aims of the new Government include achieving greater community empowerment and consequent engagement with the planning system, continuing the broad policy trend of the recent past. This approach is broadly endorsed by planning practitioners, and their representative bodies (RTPI, TCPA). However, the abolition of RSS, and other regional strategies and strategy making bodies, is a clear break with previous governments, and something which has been greeted with dismay by many of those involved in the English planning system. There are fears that without the 'stick' of regional policy, there are insufficient 'carrots' within the existing or proposed structures of planning to incentivise local communities to accept potentially controversial or unpopular, but valuable/needed forms of development. This paper will assess the potential impacts of localism on the delivery of housing in rural areas and the development of landscape scale environmental projects. By assessing how the abolition of the regional planning tier in England might affect the delivery of socially/environmentally/economically important outputs, the paper will address issues of the local versus the strategic. Two case studies of very different scales will be drawn upon to provide empirical evidence for this discussion: Firstly, the 'Wicken Fen Vision' project in Cambridgeshire, an example of a large-scale (22 square miles) and long-term (100 years) environmental planning project that seeks to create a new green infrastructure resource; Secondly, data will be drawn from two projects exploring small scale rural housing provision in different English regions. These two case studies will be used to present different perspectives on the 'gap' created by the forthcoming abolition of regional planning in England, and thereby seek to understand the implications of the Decentralisation and Localism Bill. By addressing the narratives presented by the National Trust (proponents of the Wicken Fen Vision), local opponents of the proposal, and the responses of the local planning authority and media a narrative of separation can be identified. Similarly, contrasting views of housing associations, local authorities and local residents who have expressed support and opposition to housing developments in their communities demonstrate radically different perspectives on development and resistance/opposition to it. The paper concludes that the localism agenda offers potentially offers a fundamental change in relationship between government/governance agencies and the communities they represent, and a restructuring of engagement with the policies that influence local land management and development. However, the transition to localism creates risks that existing governance structures may not be fully equipped to deal with, including a) the management of expectations/aspirations of local communities, b) the difficulty in

facilitating thoughtful and insightful debate on important issues; and c) the 'democratic deficit', i.e. the balancing of the interests of a minority campaign groups with the broader needs of a local area, its wider region and the nation as a whole.

Gateway B

HUMAN AND TERRITORIAL DEVELOPMENT APPROACHES: SIMILARITIES, DIFFERENCES AND INTEGRATION

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Human and Territorial Development Approaches: Similarities, Differences and Integration. Susana Suárez Paniagua* The persistence of social and economic inequality among countries regions and localities in the whole world have taken us to implement a wide variety of policies and programs directed geographical and spatial to dismiss these inequality and to have a bigger development in each geographical region. These trials have been accomplished with reflections and elaborations of approaches in theory and methodology about development, among them are: Human Development, and Territorial Development; both state different conceptions about development, as well as, they propose related policies to get it. These statements of the two focuses are important and very interesting, but, they are being criticized and still are in the building processes, that are why that they deserve to be analyzed, to find similarities and differences to explore the possible integration of their common elements, to make new policies of development. The purpose of this Paper is to present the statements of the two Development Approaches that focuses showing its analogies and differences to point from our view and which elements could be integrated to propose some of the new development policies.

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Gateway P

THE ENCLAVE OF CREATIVE CLASS –CASE STUDY OF SILESIAN REGION IN POLAND

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Main assumptions are based on the results of research carried out under ministerial project 'Industrial region as a learning region sociological conditions of the transformation on the example of Silesia.' Theoretical issues related to defining the term creative class are not sufficiently firmly embedded in research practice. The few studies that are conducted in Poland on this subject, can conclude that the creative class in each region is an enclave which shows a clear fragmentation of social reality. Based on the assumptions of Richard Florida's studies, one can state that creative class is an individual entity devoid of class consciousness. The main part, called creative core are persons full of innovative ideas, implementing them in reality. The second part of the creative class - creative professionals are the representatives of knowledge-based industries, which are required to make independently responsible decisions based on deep knowledge. Although Florida led his analysis based on the city, it is obvious to highlight the role of the region as a major promoter of cultural inclination of the creative class. A case analysis of the creative class in the Silesia region indicates a strong regional conditions of development of this group. The nature of these conditions is related to the history and specificity of the major groups of Silesia, which decided about the shape and fate. Once they were mostly German industrialists, and later representatives of the imposed communist regime deciding about the acceleration of industrialization in the region. Currently, in the developing conditions of free market, creative class can freely develop on the background of resurgent culture, which has always been a border culture, open to all diversity. Adopted assumption about creative class in Silesia as an enclave is confirmed in the opinion of entrepreneurs, representatives of local authorities and experts involved in the studies. Qualitative research based on 100 in-depth interviews conducted in late 2010 to 2011 show the specificity of the phenomena associated with the creation of the creative class in Silesia. Expression of several selected groups discussed possibly creating a class - architects, musicians, doctors, artists and professionals working in the automotive industries, mining and industrial designing testify to the fact that there is no a common awareness of the creative class, therefore each group undertakes individual action. They are not extensive. They concern rather local than the regional dimension. Individual representatives also do not see such a group in the whole province. The role of

institutionalized political and economic elites is noticed. However it's hard not to notice creative group of individuals at the local level. The enclave nature of the creative class may indicate an impending separation of the individual members of this group apart. Research done by Florida focusing on cities seems to be a primary, however taking into account the regional context - especially in the industrial region such as Silesia - it is hard to see such a clear change in each city. Mutual isolation and lack of interest in ongoing operations, although the spatial concentration of various exclusive groups may lead to exaggeration of adverse events. Potential of the emerging creative class is certainly not used. Statistical data on development of the region such as the accumulation of research centers, innovation, investment and income per capita are on high position in the national scale. Therefore the main task of the regional authorities should be to create conducive conditions to the reinforcement of the creative class acting in a regional context.

Gateway L

INVERTED HAAVELMO EFFECTS IN A GENERAL EQUILIBRIUM ANALYSIS OF THE IMPACT OF IMPLEMENTING THE SCOTTISH VARIABLE RATE OF INCOME TAX

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The Scottish Parliament has the authority to make a balanced-budget expansion or contraction in public expenditure, funded by corresponding local changes in the basic rate of income tax of up to 3p in the pound through the Scottish Variable Rate of income tax. However, this has never, as yet, been used. In this paper we attempt to identify and quantify the impact on aggregate economic activity in Scotland of implementing these devolved fiscal powers. This is achieved through theoretical analysis and simulation using a Computable General Equilibrium (CGE) model for Scotland. This analysis generalises the conventional Keynesian model so that negative balanced-budget multipliers values are possible, reflecting a regional “inverted Haavelmo effect”. Key parameters determining the aggregate economic impact are the extent to which the Scottish Government create local amenities valuable to the Scottish population and the extent to which this is incorporated into local wage bargaining.

Gateway D3

IMPROVED URBAN-RURAL LINKAGES AS AN EU RURAL POLICY MEASURE

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In EU discourses, urban-rural linkages are usually constructed from an urban perspective, with rural areas conceptualised as residuals between dynamic urban growth nodes. References to urban-rural linkages, where in evidence, have generally been confined to the domain of Spatial planning and Cohesion policy. However, the Commission’s recent communication, ‘The CAP towards 2020’, proposes improving the links between rural and urban areas as a means of contributing to the balanced territorial development of rural areas. This puts the focus on the benefits to rural areas, posing the question as to what linkages, from a rural perspective, exist and/or would be worth improving. The EDORA project (ESPON 2013/1/2) gathered qualitative evidence of rural development in 12 NUTS 3 case study exemplar regions across the EU, written as holistic accounts but commenting upon three meta-narratives: agri-centric, global competition and urban-rural relations. This paper draws on a discourse analysis of the exemplar region reports to explore the linkages of people and institutions within and beyond their rural sub-regions. Findings of the analysis indicates that: the nature of rural-urban linkages are extremely diverse; rural-urban links are not necessarily positive for rural development; links at other spatial levels – relational, global, local – are also important; and that the extent to which rural governance is tied into urban areas influences the nature and extent of rural power and disadvantage. These findings are discussed in the context of evolving rural policy.

URBAN NETWORKS FOR COMPETITIVENESS AND INNOVATION: A PROPOSAL FOR THE REORGANIZATION OF AN URBAN SYSTEM IN THE NORTHERN PORTUGAL

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According to the classical models, urban systems are hierarchically structured. Nevertheless, the European Spatial Development Perspective (ESDP) (CEC, 1999) has recently encouraged the development of a polycentric organization and multi-scale urban systems in Europe, which has been reinforced by the concept of socio-territorial balance (CEMAT, 2006) and the recent discussion on territorial cohesion (CEC, 2008). The Territorial Agenda (Leipzig, 2007) stated as a main priority the polycentric development and brings an innovation: the establishment of networks of metropolitan areas and cities. Besides, it also promotes new forms of partnership and territorial governance between rural and urban areas, thus giving continuity to the ideas set out in the ESDP. In Portugal, the structuring of the national urban system adopted by the National Policy Planning (PNPOT) (MAOTDR, 2007) is consistent with this course of action: four arches in the metropolitan urbanized coast (Northwest, the Central region, the region of Lisbon and the Algarve region) and two longitudinal axes in the interior (dorsal I and II) to boost the size and role of small and medium-sized cities. Regional Plans (PROT) follow this matrix, adjusting it to specificities of regions and giving particular importance to the reorganization of suburban systems, that is, establishing networks of cities where proximity is valued as a way to enhance cooperation. Local government, based in the municipalities, was strengthened by the democratization of the country that led to an expansion of its powers regarding territorial development and progress, although current municipal divisions sometimes do not fit properly the social and economic reality of the country. For example, in the most dynamic urban areas (like the case discussed in this paper), the management of each city tends to favour models which are not encouraging complementarities. Inter-municipal or supra-municipal cooperation, are barely used, and they are of critical importance here, since resizing the territory to be managed will provide a new critical mass (of resources) and a diversity that generates broader possibilities, in the light of polycentric models (Pereira and Gil, 2010). Briefly, this requires three general conditions: a territorial plan capable of mobilizing regional players (using the area-based strategic planning), models of (vertical and horizontal) governance and cooperation networks (targeted to generate complementarities and avoid competition) (Coll and al, 2002). Urban networks for competitiveness and innovation are a set of policy instruments in the Programme Polis XXI which suit this philosophy. We shall define them as 'urban networks of stakeholders involved in the process of strategic cooperation for the enhancement of competitive factors, economic potential, and the international development of a town or city networks organized either in a close relationship or on a thematic basis' (MAOTDR, 2007). These networks should contribute to the foundation of supra-municipal visions that are consistent with the National Policy Planning (PNPOT) and with the urban systems pointed out in the Regional Planning (PROT). According to this concept, cities can be seen as "hubs" of innovation and competitiveness that should be encouraged to develop superior economic functions, cooperate and enter into wider national and international networks. They should also set up ground-breaking relationships with their economic and territorial environment that will ultimately bring greater benefits. Furthermore, they should contribute to the emergence of new ways of structuring the region that are based on polycentric models and urban interdependences. Following these principles, a network for competitiveness and innovation was established by the cities of Braga, Guimarães, Barcelos and Famalicão, located in Northern Portugal. This Urban Quadrilátero (designation given to the network) has some characteristics that make it quite unique in the country: high demographic potential, geographic proximity and polycentric territorial base, presence of some clusters of excellence and internationally competitive, strong contribution of regional industry to national exports and high levels of research and education. As a result, this area emerged as the third urban and knowledge centre in the country, after the cities of Lisbon and Oporto. During 2003, the four cities started to promote joint initiatives in a clear attempt to stimulate spatial development, particularly the ones involving the University and the Industrial Association of Minho. Hence the Urban Quadrilátero is formally framing these initiatives and strengthens a model of inter-municipal cooperation of variable geometry and intensity. To conclude, this paper intends to understand the processes associated to the structuring of a network of proximity, particularly if they have contributed to structurally change the behaviour of stakeholders or, if they have been able to induce procedures and practices with the potential to continue beyond the reference period. The initial stage of the methodology consists of rebuilding the process that was at the genesis of the network as well as the systemic and strategic vision adopted; afterwards, based on interviews with key actors, we establish an assessment of the work done so far.

GOVERNANCE OF REGIONAL ECONOMIC POLICIES – WHO KNOWS BEST? THE FINNISH EXPERIENCE OF SUB-REGIONAL DEVELOPMENT AGENCIES**Jukka Teräs, Scuola Superiore Sant'Anna, ITALY****Ari Alatossava, Scuola Superiore Sant'Anna, ITALY**

The paper analyzes and discusses the present and future role and activities of sub-regional development agencies (SRDAs), employing a case of North Finland in the northernmost part of the European Union. The paper includes a comparison of the Finnish structure of regional policy institutions, and the “mainstream” RDAs in Europe. Based on data gathered from chosen sub-regions in North Finland, the paper focuses on describing the present/expected role of the planning institutes of the Finnish sub-regions, their strategy options, the co-operation and/or competition situation in which the sub-regions develop their activities, and their process in searching for new foresight tools. A specific emphasis will be put on the challenges of peripheral regions in finding the proper regional development governance structure and implementation practices. Finland does not have an “orthodox” RDA structure: there is a mixture of public sector bodies (Regional Authorities) in 20 regions and semi-private or private regional development organizations, often at municipality level. The Regional Authority institutes are responsible of e.g. strategic planning activities and allocation of regional development funds. There are 72 sub-regions in the 20 regions. The sub-regions are entities between municipalities and regions. The city of Oulu is the locomotive of North Finland with universities, research centres and world-class knowledge-intensive companies such as NOKIA. The surrounding sub-regions of Oulu live in a more regional/local mindset. There is an intense debate in North Finland on the relevance and impact of the existing EU and national level regional development programmes and instruments. The following questions are frequently presented in regional development discussions in North Finland: Who sets the priorities of the development programmes and on which basis? What is the added value of national institutions acting between EU level and regional/local level in allocating funds? Who knows best what the sub-regions and their companies and citizens really need? The paper includes an analysis of the case study interviews of the SRDAs in North Finland e.g. the key function/task of the SRDAs in 2010, the major sources of new ideas and initiatives of SRDAs, the procedure of setting the priorities and choosing the spearhead projects, and the relation between the locomotive region in Oulu and other sub-regions. The analysis results in the following main conclusions. First, the sub-regional development agencies in North Finland have a strong belief in bottom-up approach in developing the sub-regions. Second, the sub-regional development agencies have recognized the need to significantly improve the level of networking in order to manage the tasks given to development agencies. Third, the analysis emphasizes the role of local firms in setting up the priorities of the sub-regional development agencies and their activities. Although the “big picture” of the development of the sub-region is heavily influenced by the decisions of national government regarding e.g. research and education, the concrete ideas for the development projects very often come from the key companies in the sub-region. Finally, the paper discusses the elements of an emerging, revised RDA model especially for non-metropolitan regions in Europe and analyzes the level of applicability of the report on SRDAs in North Finland in the broader European context. The analysis of the SRDAs in North Finland shows the importance of listening to the real actors in the field of development agencies. The perceptions of the representatives of the Finnish SRDAs are likely to be of interest to decision-makers related to regional development throughout the Europe – despite the differences in legislation and culture. For future research, the Finnish SRDA network provides an interesting source of data for e.g. international comparative analyses.

BALANCED ECONOMY IN THE NORTH EAST REGION?**Lynn Tomkins, Sempta, UK**

Theme: To have a more balanced economy nationally and in the NE region, a focus is required on science, engineering and manufacturing. However a shortage of the right skills could jeopardise recovery and mean the NE fails to capitalise on opportunities from low carbon and emerging technologies. Sempta's paper will examine the risks, outline current support available for NE firms and lead a rallying call for accelerate of skills development. Summary Skills shortages in manufacturing and engineering are costing the North East almost £5

million in lost productivity. Despite the impact of the recession, five per cent of engineering, manufacturing and science companies still have vacancies they are not able to fill because of skills shortages. In addition, 22 per cent of North East businesses in Semta's sectors report skills gaps amongst staff - a figure that is projected to increase as older skilled workers retire, taking their skills with them. 11,000 new recruits will be needed in these sectors in the North East between now and 2016. Of these, more than 3,000 will be required to have higher level skills, demonstrating the need to ensure that businesses in the region have the right development and training in place for their workforces. Semta is helping businesses in the North East ensure they have the right training in place to meet their individual needs. It offers a full spectrum of support to help the region's companies that do not have a business plan (56 per cent) or a training plan (48 per cent) in place. In addition, with over a quarter of businesses (27 per cent) admitting they haven't offered any training over the past 12 months, and only 18 per cent currently offering apprenticeships, Semta is able to support with the development and implementation of new training programmes. Examples of activity including helping Nissan, Smith Electric Vehicles and AVID Vehicles with green training by backing the National Training Centre for Sustainable Manufacturing being built at Sunderland, and by designing a bespoke low carbon apprenticeship. Newcastle based Remploy Ltd. offers employment to people with disabilities and 90 per cent of its 87-strong workforce have learning or physical disabilities. Semta identified European social funding that allowed Remploy to put staff through Numeracy & Literacy and Performing Manufacturing Operations (PMO) NVQs to help improve employees' core skills, team-working ability and motivation. Semta's National Skills Academy offers a wide range of quality approved programmes specifically designed to deliver real benefits to individuals and their companies. There are programmes and qualifications in Business Improvement Techniques, Leadership and Management, Employability, Health & Safety and technical skills. To support individuals there is an e-learning centre with over a 1,000 courses ranging from How to Make Presentations, through Environmental legislation and policy to Six Sigma. The cost of e-learning modules starts £5 - £10.

Gateway C

TOURISM AND REGIONAL DEVELOPMENT IN MEXICO

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Nowadays tourism is one of the main economic activities around the world, as well as a generator of employment and foreign investment among nations. Governments in the world see it as a powerful economic engine which has created a higher level of global competitiveness. Tourism is by many measures the world's largest and fastest growing industry. It provides a myriad of positive benefits to hosts and to visitors. At the same time, destination communities must be sanguine about the effects of tourism. If poorly managed, tourism can have serious, adverse impacts on the environment, physical appearance, economy, health, safety, and social values of the destination community. Many developed, as well as under developed countries, have believed in and invested in Tourism. They have been impacted in a way we should continue to encourage but on the other hand try to prevent. Mexico, until recently, was the most important tourist destination among 3rd World Countries, but it has been surpassed by China. Mexico is located next to the biggest tourist market in the world. Tourism is mainly a regional phenomenon. Its power represents regional development opportunities for countries with few industrial opportunities such as Mexico. Mexico offers more archaeological sites, folklore, colonial art and gastronomic development than any other country in the Americas; in addition to its characteristically hospitable people. The multiple ethnic groups that form the Mexican society have, to date, preserved their ancestral traditions, providing the country with a large cultural mosaic overlay. Its extensive territory holds enormous natural wealth and varied climates, due to the diversity of the scenery, deserts, tropical forest, plateaus, snow covered volcanoes, steep hills, lakes and big rivers; that make the country a preferred tourist destination. The United States of Mexico is divided into 31 states and a Federal District, which is its capital. Mexican tourism offers beach destinations, colonial cities, large cities, and ecological area organized by destinations and tourist routes, fundamentally supported across programs by the federal government, in addition to the participation of state and municipal governments. Tourism in Mexico is an industry with a long history. It has grown in form and continues to expand. It has improved its ranking among other countries in the world regarding tourism. Based on 1950 data, Mexico was ranked 13th out of the 46 countries most visited in the world. And more recently, according to information of the World Tourism Organization, Mexico has been ranked 7th since 2005. Between 1990 and 2000, Mexico's registered income was greater than 73 billion USD,

having received more than 204 million tourists. Likewise, in the period from 1993 to 2000, the Gross National Product (GNP) of Tourism represented an average 8.3 % of the national total. In Mexico one is provided with numerous and varied destinations that generate tourist movement everywhere. In accordance with the Secretary of Tourism (SECTUR), in Mexico, the destinations are grouped according to their characteristics, properties and location of diverse programs as defined in the following: Beach Centers Program (Beach and Sun) Large Cities Program Interior Tourist Destinations Program Colonial Cities Program In regards to the performance of the flow of tourists in the country and its distribution, the results varied based on the territory and the type of segment. Results show that the most elevated levels of growth have taken place in Large Cities and Colonial Cities. The traditional Beach Towns and other Beach Resorts showed minor growth compared to those integrally planned and promoted by the National Fund of the Promotion of Tourism (FONATUR), Mexico's governmental tourism development agency. Mexico has followed an important development process in regards to tourism. It has invested in promotion and financed activities with a large amount of economic resources. However, the outcomes such as segregation and damage to the environment haven't been correctly evaluated. The questions to be answered are: •Is Tourism a factor in regional development in Mexico? •What are the economic, social and environmental impacts on a regional level of Tourism in Mexico? • Does the development of the tourism in Mexico generate major social inequality? •What are the levels of spatial inequality and its evolution in the principal tourist destinations of the beaches in Mexico? •Are the Mexican tourist destinations equally accessible for the whole national population? Objectives: •To determine the economic, social and environmental impact of tourism in Mexico at the level of destinations, regions and tourist routes. •To determine the levels of social inequality generated by tourism in Mexico at the level of destinations, regions and tourist routes. •To determine the levels of spatial inequality and its evolution in the principal beach destinations of Mexico (Cancun, Acapulco, Port Vallarta, etc.).

Gateway C

(RE-)EXPLORING THE LINK BETWEEN DEVOLUTION AND REGIONAL DISPARITIES IN ITALY

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Andy Pike, Newcastle University, UK
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The existence of an economic dividend - in terms of regional disparities - of the global devolutionary trend registered over the past three decades is still ambiguous both on theoretical and empirical grounds and it is likely to be case-specific. With respect to the Italian case it has been argued that since 1996, even in an indirect way, a negative effect of devolution on regional disparities arose. However, our empirical analysis suggests that the decline in Italian regional disparities over the decade 1996-2006 has been decisively driven by the loss of competitiveness and consequent low relative performance of northern regions. Therefore, the link between devolution and spatial disparities appears to be rather spurious and, if any, its beneficial effect has been uneven both in time and space.

Gateway Q2

RURAL TOURISM DRIVING REGIONAL DEVELOPMENT IN TUSCANY. THE RENAISSANCE OF THE COUNTRYSIDE

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After the crisis of the traditional agricultural system in the 50's, starting from the 80's rural tourism is driving the new renaissance of Tuscan countryside. The empty spaces of rural areas, which characterise the agricultural landscape, show a new set of functions developed by and for the touristic field. The Tuscany Region was one of the first Italian region to recognize the new trend of the integrated rural development so that in 1985 it stated the first regional law on agritourism. This paper recognizes the leading role of Tuscany in the development of rural areas based on tourism and the importance of relationships between tourism and local sustainable development

in rural areas through a case study. The first step regards the historical analysis of the evolution of the tourism in rural areas, the strengths of the Tuscan model in this field, and the links between identity and local resources for the sustainable development of tourism (the topic of rural tourism may be analyzed from a local development point of view). Then the case study of Vinci (the hometown of Leonardo da Vinci) based on a rural area characterized by the 'typical' Tuscan landscape, with the presence of art cities and a high-quality supply of services and products (such as food and wine). The analysis is based on quantitative and qualitative methodologies that helped us outline the network of touristic centres and study tourism in rural Tuscany. Then there is an analysis of competition capacities and potentialities of the local area to understand if and how these depend more or less on the network structure or on local resources. At the end the paper underlines the strengths and weaknesses of rural tourism in Tuscany, one of the leading region of the European project NECSTOUR, and outlines possible future regional policies in support of the sector.

Gateway H

A NOVEL APPROACH TO SPATIAL DEVELOPMENT: ENGLAND DISMANTLES ITS REGIONS!

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TOWNSEND A., University of Durham & PUGALIS L., University of Newcastle-upon-Tyne and In contrast with all the larger members of the European Union (EU27), sub-national development policy in England is in a state of flux as the UK Conservative- Liberal Democrat Coalition Government is rapidly dismantling the previous Government's regional architecture in favour of new partnerships operating across smaller, functional economic geographies. The destruction of the Labour Government's flagship Regional Development Agencies is being replaced by reconstruction in the shape of new Local Enterprise Partnerships (with 28 approved at time of writing). This paper compares the size of outgoing English Regions with those of the rest of the EU, and concludes that their greater size in England may have contributed to their political remoteness, downfall, and misguided replacement at a sub-regional scale . The paper is therefore drawing attention to a potential mismatch between a desire to govern according to functional economic space and the conflicting politics behind the boundaries of self-defined Local Enterprise Partnerships (LEPs). Analysing a policy approach taken despite warnings from the European Commission that it may lose ERDF funding, the central indication is that Local Enterprise Partnerships are doomed to fail in providing a territorial-governance fix to the wicked issues that they have been conceived to address. Whereas the territories of Scotland, Wales and Northern Ireland achieved significant devolutionary packages under the UK's Labour Government (1997-2010), decentralisation achieved in England was rather more constrained and could be more aptly described as a regionalisation of central government functions. Since the election of May, 2010, the demise of England's regional framework has featured prominently in political discourse. It is a case of 'out with the old', including Regional Development Agencies, Government Offices for the Regions (GORs) and Regional Leaders' Boards, and 'in with the new', such as Local Enterprise Partnerships and Neighbourhood Development Plans, as the Coalition Government embark on their quest of economic rebalancing and recovery at the same time as retrenching state spending. An 'orderly' transitional period is programmed to be largely completed by March, 2012, the outcome being a radical transformation of the geography of sub-national development policy, governance and delivery. Consequently, these shifts have stimulated a resurgence of interest in the 'politics of scale', uneven development and spatial inequalities. The transition is all the more intriguing from a European vantage point, considering that regions are the bedrock of the EU's territorial cohesion policy in ERDF. Our research clearly shows the UK and certainly England (after excluding Scotland, Wales and Northern Ireland) along with Germany, as having much larger regions (in terms of population) than other members of the EU. After also excluding Greater London, which is mainly unaffected by the changes reported in this article, the average English region has a population of 5,507 thousand, and comments about remoteness from any central city were marked in the case of the South West region. It was not generally known that the average English region, shown here as 2.225 million, was almost 2.5 time bigger than the average region as found for example in Poland (2.385) or Portugal (2.128). By contrast the average population of the newly proposed LEP was smaller than the average regions of any EU member state, with a population of 711,000, and about the same size as the Counties proposed in a thorough rationalisation effected in 1974. All would be well; these were bigger than the government's statistical Travel-to-Work Areas based on 1981 data, and on the same basis, the much smaller number for 2001. The problem is that the more locally-minded Conservative government of 1970-4 divided each of the 62 counties into second-tier districts, and then took the upper tier away by abolishing Metropolitan Counties in 1985, and later in some

areas elsewhere by creating other Unitary Local Authorities. This system could work when all these types and sizes could be co-ordinated by GORs and other regional architecture, as they increasingly were by the Labour government from 1997 to 2010. The amount of interest and involvement in LEPs over the summer of 2010 demonstrated that LEPs cannot easily be discounted as another jargon-laden Government folly. As a result, they need to be taken seriously as the primary forums for the governance, co-ordination and implementation of sub-national development over the coming years. In the authors' view, however, the new geography has more to do with the politics of dwindling resources than it does with locating the best spatial fix for development. LEPs are likely to experience the same problem that affected the existing RDAs, namely that businesses would regard their boundaries as arbitrary political divisions. There had, however, been some attention to 'fuzzy' or 'porous' boundaries, which could emphasise spatial connections over separations, with some local areas already participating in two LEPs.

Gateway E

COMPLEX NETWORK ANALYSIS: A BRIDGE BETWEEN COMPLEXITY AND SPATIAL ECONOMICS

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While according to Tobler's law "near things are more related than distant things", we are increasingly reminded nowadays that "space is more than geography" (Beck et al 2006; see also Franzese et al 2010). Although the geography of plethora of socio-economic phenomena can be (partially) explained as a function of distance, there is an increasing number of such phenomena, the geography of which is not based merely on physical distance but rather on other non-geographical network distances. Examples include the importance of intercity transport and telecommunication flows and their underpinning infrastructural networks. Such systems can be identified as complex spatial networks and distort space due to their friction reducing nature as they decrease the cost of distance (Cohen et al 2002, Cohen-Blankshtain and Nijkamp 2004). The analysis of such complex networks (spatial and non-spatial) grew dramatically during the last decade resulting in the establishment of the complex network analysis (CNA) research niche. Although great progress has been achieved in the analysis of such networks, little effort has been spent yet in empirically exploring their interdependence with other socio-economic phenomena. Drawing upon the above argumentation, but also upon Castells theoretical work on the space of flows (Castells 1996) our aim here is to introduce a conceptual and methodological framework to incorporate the importance of such complex networks in research questions found in the wider area of regional science. Methodologically, our proposal lies upon exploring the usability of network autocorrelation models, the weight matrix of which will be based on complex spatial networks. CNA is approached here not as an end itself but rather as the bridge between complexity and spatial economics.

Gateway P

THE CREATIVE CITY: A SUSTAINABLE CITY?

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Since at least ten years the creative city concept is very much en vogue. Culture and creativity are regarded drivers of urban economic development, and are therefore important elements of urban economic policy. At the same time, however, concerns about for instance climate change and liveability have led to an increased focus on social and environmental sustainability in urban development and policy. In contrast to the creative city concept, the idea of sustainability does not generally take the objective of urban economic development as a starting point. Yet, the influence and longevity of the concept seems at least as certain as that of the creative city concept, if not much more. From the perspective of the creative city, therefore, the question about the relation between these two influential concepts is highly relevant. Although knowledge about this is limited, literature, discussions in the media and on seminars and conferences indicate that it is indeed a current topic. In view of the above observations, the paper explores the relation between the creative city and the sustainable city: between the creative production and consumption milieu on the one hand, and the drive for sustainable urban development on the other. Whereas urban economic development is central to the creative city concept, it is not

or much less so in sustainable urban development. Hence, the increased focus on sustainability is often regarded as detrimental to economic development, although it has also been recognized that this view is not necessarily right. More concrete, the paper addresses the question what the emphasis on sustainability means for creative industries. Will they suffer from more stringent environmental regulation, e.g. from the EU? Or will they instead benefit from the need for creativity and innovation that the shift to a more sustainable society brings about? How will the creative consumption milieu be affected? Building on empirical insights and discussion from the Interreg IVB project Creative City Challenge and the FP7 project Sustainable Urban Metabolism in Europe, the paper addresses the above issues from three perspectives: first, from the perspective of key elements that make up a creative city, versus the key characteristics of the sustainable city; second, from a policy perspective, focusing on the different assumptions in sustainability and creative city policies about the extent to which social change can be effected by government policies; third, from the perspective of the question to which extent the drive for sustainable urban development may provide changes and opportunities for the creative industries. A discussion of the implications of our findings for policy-making, and some clues for more detailed research conclude the paper.

Gateway Special Session

ENVIRONMENTAL INNOVATION AND SUSTAINABILITY TRANSITIONS IN REGIONAL STUDIES

Bernhard Truffer, Eawag, SWITZERLAND

Sustainability concerns have played a rather subordinate role in regional studies over the past two decades. It had mostly been addressed as a policy imperative formulated by governments at different levels (EU, national, regional or sectoral) looking for the integrated treatment of longer term environmental impacts, job growth, health and equity concerns. In how far sustainability concerns will also lead to fundamental transformations in technologies, industries and life styles (so-called sustainability transitions) has found much less attention. The present paper argues that regional studies should take this challenge seriously by contributing to an emerging research field that is likely to gain prominence in the future. So far, sustainability transitions have been predominantly analyzed by scholars from innovation and science and technology studies. However, these technology and innovation focused concepts have often disregarded spatial aspects: neither regional preconditions for the development and diffusion of radical innovations nor the likely distributional impacts of these transformation processes have been analyzed in much detail. We see here a strong potential contribution from the regional studies community to this kind of research, especially regarding policy implications at the juncture of environmental, innovation and regional policy. In the paper, we will first reconstruct in how far sustainability concerns have been addressed in the regional studies literature. We will then lay out the field of sustainability transitions research and identify major gaps in both literatures. Additionally, some illustrative case studies of recent sustainability transitions research will be elaborated, which explicitly consider space, place and scale. Examples will be taken from recently emerging industries in energy and water sectors. The paper will conclude by sketching out a research agenda that might inspire future Regional Studies research.

Gateway B

WELFARE REGIMES AND THE INCENTIVES TO WORK AND GET EDUCATED

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Andres Rodriguez-Pose, London School of Economics, UK

This paper examines whether differences in welfare regimes shape the incentives to work and get educated. Using microeconomic data for more than 100,000 European individuals, the results show that welfare regimes make a difference for wages and education. First, people-based effects (internal returns to education and household wage and education externalities) generate socioeconomic incentives for people to get an education and work, which are stronger in countries with the weakest welfare systems, i.e. those with what is known as 'Residual' welfare regimes (Greece, Italy, Spain and Portugal). Second, place-based effects, and more specifically differences in regional wage per capita and educational endowment and in regional interpersonal

income and educational inequality, also influence wages and education in different ways across welfare regimes. These results are robust to the inclusion of a large number of people- and place-based controls.

Gateway A

HOW RESPONSIBLE IS A REGION FOR 'ITS' CARBON EMISSIONS? A WELSH ANALYSIS

K Turner, Stirling University, UK

M Munday, Cardiff University, UK

P McGregor, Strathclyde University, UK

K Swales, Strathclyde University, UK

While there is growing interest in footprint 'type' approaches that link regional consumption to global environmental impacts there remain issues of how far such approaches can really aid policymakers. One issue is that policymakers in one jurisdiction do not have control over production (and, specifically polluting) technologies used in other jurisdictions. In this paper we suggest that a closely linked issue is that different methodological approaches may provide a variety of perspectives on accounting for externalities such as carbon. We review the use of regional input-output (IO) and computable general equilibrium (CGE) methods to examine regional pollution problems and provide recommendations for how appropriate methods are in aiding understanding of the externalities from regional economic activity and whether these same approaches provide relevant information for policymakers seeking to influence consumption behaviour. Our analysis first involves using a regional input-output framework and data derived on direct industrial and household emissions to examine regional accountability for carbon generation. We propose an approach permitting greater accountability of regional private and public (household and government) final consumption as the main driver of regional carbon generation, while retaining focus on the local production, technology and consumption decisions that fall under the jurisdiction of regional policymakers. This involves adopting a 'domestic technology assumption', whereby all production (regardless of location) is assumed to share the same technological properties as that observed in the regional economy. We then relax this assumption in order to estimate the actual global carbon impacts of local consumption decisions and to raise the question of who may be held responsible for the difference in carbon attributed in each case. Our empirical analysis focuses on Wales, a devolved region with a legal responsibility for delivering 'sustainable development'. Wales features a relatively large amount of economic activity in 'carbon intensive' sectors such as steel, chemicals and conventional power generation. However, we show how these same industries tend to serve external rather than regional demands. As a result, Wales performs relatively poorly under the production accounting perspective that underlies agreements following Kyoto and Copenhagen. However, if focus shifts to consumption orientated perspectives (such as the carbon footprint), Wales performs considerably better. This is because the level of carbon embodied in imports to support Welsh consumption, while significant in magnitude, is lower than that embodied in exports. Our preliminary results demonstrate that this is the case whether the domestic technology assumption is adopted or not. However, underlying these results is the fact that the Welsh domestic technology assumption significantly overestimates actual carbon content of imports from the rest of the UK (which provides the national jurisdiction under agreements such as Kyoto or Copenhagen) while underestimating that of imports from overseas. The importance of distinguishing between interregional and international trade flows and their estimated carbon content is further highlighted in the second stage of our empirical analysis. Here we argue that a potential issue arising from the increasing focus on consumption-based 'carbon footprint' measures is that regional carbon generation embodied in export production is attributed outside of the region, while regional consumers undoubtedly benefit from such production. We demonstrate by extending our IO accounting analysis using a regional CGE model to simulate the impacts of an increase in export demand for regional production on key macroeconomic variables, including GDP, employment and household consumption, as well as on different measures of carbon attributable to regional consumption. In terms of the latter, we demonstrate how CGE model results may be used to create 'post-shock' IO accounts to permit the calculation of carbon generation under the various production and consumption accounting principles considered in the first part of the paper. Again, our empirical analysis continues to focus on the case example of the Welsh regional economy. Specifically, we consider the scenario of an increase in export demand for regional steel output. Given that the expansion involves an increase in external demand, our initial results suggest that the increase in domestic emissions of carbon (the production accounting principle) outweighs the increased carbon requirements of the increased household income and consumption effects of the overall boost to the Welsh economy. However, this outcome

relies on the domestic technology assumption outlined above. When we relax this assumption in order to consider the actual carbon embodied in increased import demands to support increased economic activity in Wales in general, and consumption demand in particular, the Welsh 'carbon footprint' impacts of the boost in export demand become more significant from the outset. In the discussion we raise the question on whether the interdependence of production and consumption activities imply that some measure of shared responsibility for carbon generation may be more appropriate than relying solely on production or consumption based measures, and consider whether some of the analytical tools employed in the paper, such as the domestic technology assumption, may be useful in this respect.

Gateway Plenary

HOW CAN SECOND TIER CITIES BECOME MORE DISTINCTIVE?

Ivan Turok, Human Sciences Research Council, SOUTH AFRICA

The paper consider the relevance of distinctiveness to secondary cities. Should they pursue some differential advantage in relation to capital cities or promote their lower costs? The paper also explores the potential sources of distinctiveness open to second tier cities, including unique industries and occupations, built environments and branding. It illustrates these strengths and weaknesses of each approach with real world examples.

Gateway H

VALUING THE BENEFITS OF REGENERATION

Peter Tyler, University Of Cambridge, UK

Colin Warnock, Colin Warnock Associates Ltd, UK

Allan Provins, Economics for the Environment Consultancy, UK

In recent years many countries have sought to regenerate their relatively depressed areas through a wide range of policy initiatives. The rationale for Government intervention has often been argued to be the need to overcome market failure. The intervention has typically involved a series of discretionary funding programmes, operating in parallel to, though often seeking to influence and complement the activities of 'mainstream' public service delivery. The shape and form of the interventions adopted has varied significantly across the economic, physical and social. The experience of the United Kingdom is illustrative with a rich array of initiatives particularly in the inner cities where the consequences of rapid and prolonged economic restructuring have been felt particularly severely. There has been much debate about what regeneration initiatives have been able to achieve in terms of resolving the underlying problems on which they are targeted. Opinions have varied significantly and there has been much comment about the effectiveness of the measures adopted and a keen desire to evaluate achievement. Some have questioned the worth of the policies and in the most extreme cases it has even been argued that they do not provide a positive rate of return to the countries tax payers and it might be better not to intervene at all. It is perhaps to state the obvious that the regeneration initiatives deployed by governments should be cost-effective and represent good Value for Money. However, despite recent advances the ability to evaluate policy achievement remains constrained. One of the biggest shortfalls has then been the failure to put a value on the additional benefits that have been produced. The evidence suggests that there are very few cases where the benefits of regeneration policies have been valued. Given the clear advantage of valuing the benefits it does perhaps seem rather odd that there is so little evidence available. And this would seem to be the case across countries in Western Europe and the North States that have had extensive urban and regional policies. Unless the benefits of government policies can be valued it would seem very little that there can be any systematic attempt to measure their net worth to society and, importantly, their social rate of return. And yet, without this information in place it will always be difficult to compare and contrast the achievements of different types of intervention and which have proved to be the most effective in tackling the problems concerned. Once they have been valued they can then be considered alongside the public and other expenditure incurred to create them and an overall return calculated, i.e. a Benefit Cost Ratio. It is an obvious question to ask why there is so little evidence available on the value of regeneration benefits. A number of conceptual and measurement problems can be identified. This paper seeks to provide a conceptual framework which can be

used to place a value on the benefits of regeneration policies. Having outlined the framework it then draws on the experience of the United Kingdom to illustrate how the approach can be used.

Gateway H

REGIONAL INNOVATION SYSTEMS REVISITED: NETWORKS, INSTITUTIONS, POLICY AND COMPLEXITY

Elvira Uyarra, Manchester Business School, UK

Since the 1980s the region has been central to discussions about innovation and competitiveness and understanding the dynamics of innovation in the region a concern for scholarly research and for practitioners seeking to improve economic prosperity. Concepts such as regional innovation systems have been coined to convey the idea that firms interacting locally and adequately supported institutionally are able to achieve higher rates of innovation, and ultimately generate better quality jobs and economic growth for the region. The presence, characteristics and performance of such regional configurations have been of key interest for academics and policy makers, in parallel with the emergence of an agenda for regionalisation of industrial policy and economic development policy in many countries in Europe since the 1990s. This paper draws from contemporary literature on the region and from innovation studies to critically examine different interpretations that have over time been associated with the use of the term 'regional system of innovation'. The paper therefore commences with a glance at firm network approaches to regional innovation systems, which put the emphasis on dense and closely collaborating communities of firms that are found to be characteristic of successful agglomerations. It continues with an examination of scholarly accounts that use the term 'system' as a metaphor and heuristic device to reflect the key role played by institutional and governance structures in influencing innovation performance of countries and regions. The third section critically considers how recent literature views innovation systems as an artefact and as a target for policy action. The paper suggests that this use of the concept has led to an instrumental view of innovation and regions at odds with the ideas that originally inspired it. Recent contributions from evolutionary and complexity economics are reviewed in the fourth section as alternatives to understanding the dynamic, diverse, and multi-level dimensions of regional systems. However, questions remain in relation to methodology, ontology and policy. Finally, some conclusions are drawn in the last section.

Gateway F

DEVELOPMENT STRATEGIES IN THE CZECH RURAL BORDERLAND

Antonin Vaishar, Mendel University In Brno, CZECH REPUBLIC

The paper is based on an evaluation of 27 SWOT analyses of 41 LEADER LAGs situated in the Czech borderland. Urban parts of the borderland were excluded. Basic characteristics of the rural borderland anticipate the analysis. Bohemian and partly also Moravian borderland is formed mainly with natural mountain barriers. From it follow such characteristics like big part of small villages with typical problems of limited local markets and small budgets, worse accessibility by transport and general backwardness. Lower level of formal educations is an expressive characteristics. Except of the Slovak borderland, in all other sections of the borderland, population was changed on the ethnical basis after the World War II. It has consequences in lower relation to the countryside up to this day. There are 3 National Parks (of 4) and 12 Protected Landscape Areas (of 25) in the borderland. In the first step, the SWOT analyses are evaluated from the viewpoint of the relevancy and ordering of individual strategic factors. A relatively big number of items which are not ordered according to their importance for the development were identified as the main reason why the existing SWOT analyses are hardly able to be efficient instruments for the regional management. There is also a low attention paid to the difference between inner and outer factors. Consequently opportunities are for example replaced with development intentions. The 2nd step contains elaboration of general SWOT analyses of 6 border sections: the Saxonian, the Polish – West, the Polish – East, the Slovak, the Austrian and the Bavarian ones. Individual factors (relevant for only one individual area) were excluded as well as factors generally connected with the state of the Czech society in general. Consequently, the common analysis was made taking into account also own experience from

the field research and data analyses in all six sections. Strengths are mostly connected with the natural character of the borderland (environment, landscape protection, conditions for bio-agriculture), with the frontier position (cross-border market advantages) or consequences of the post-war population exchange. All of them are opposite sides of stronger weaknesses. The weaknesses consist of peripherality (bad transport conditions and collisions), marginality (insufficient investments, low educational level, exploitation of sources without their elaboration, losing of ability to compete), post-war population exchange on the ethnical basis (weak relation to the land, settlements, regions, the society, low motivation for development). Opportunities are usually connected with a possibility to gain European, national and/or regional subsidies and with potential of the cross-border cooperation. Threats include usually losing of human capital (emigration of young qualified people, ageing), losing of financial capital and collisions of the protection of environmental capital with development activities. Possible strategies of the development are discussed: reinforcement of strengths by using opportunities (SO strategy), using strengths for an elimination of threats (ST strategy), minimizing of weaknesses by using opportunities (WO strategy), minimizing of weaknesses by excluding of threats (WT strategy). The strategies are confronted with expected trends, the synergy, feasibility. Of course, strategies connected with particular potentials, ideas and opportunities play their role besides the general ones. Altogether, incidental success depends on the human factor first of all.

Gateway R

TOWARDS A BROADER ANALYSIS OF THE CONTRIBUTION OF UNIVERSITIES TO REGIONAL DEVELOPMENT

Paul Vallance, Newcastle University, UK

Recent discussion around concepts such as a renewed civic university and the quadruple helix (encompassing university relations with civil society) point towards a broader public mission for universities in contributing to the social development of regions, alongside their by now well established entrepreneurial role as actors within the knowledge economy. This paper will draw on recent thinking on more holistic models of regional development, and empirical material on the relationships between universities and cities, to explore what form this broader role in local development may take and some challenges associated with it. It will argue that attention needs to be paid to the financial and policy 'drivers' for engagement by universities and academics in non-economic spheres of local development, how these vary between different territorial contexts, and how they differ from corresponding sets of drivers for engagement in economic development activities.

Gateway J1

THE MEANING OF THE CITY-REGION FOR CIVIC ACTORS IN MONTREAL

Sophie L Van Neste, University Of Amster, THE NETHERLANDS

The region is an old category of research in geography, but which has renewed itself with contemporary phenomenon of globalization and the competition between metropolitan archipels across the world (Veltz 1996, Paasi 2003). The themes of regional identity, regional consciousness, and regional politics, have thus known renewed interest in this new context, particularly in regard to urban regions. Much has been written on the supposed re-scaling of the State from the national to the metropolitan scale (Brenner 2004, MacLoed and Jones 2007, Antipode 2010). Studying this hypothesized political and economic restructuring, many authors noted a democratic deficit at the regional level, civic actors and social movements having difficulty to re-scale at the regional scale (Swanstrom and Banks 2009, Jouve and Lefebvre 2005, Fontan et al 2009, Boudreau et al. 2006), when this was not their historical scale of action. Ideological motivations from state or economic actors to re-scale political or economic activities at a metropolitan scale have been much discussed in the literature, particularly in recent work (Gonzalez 2006, Wetzstein and Huron 2010, special nummer Antipode 2010). In contrast, bottom-up regional projects, and their discursive or strategic motivations, have been little studied. What is the importance of the region for civic actors? When they are indeed able to re-scale their actions or discourses to the "region", to what use is this done and with what purposes? How is it important in relation to the missions and projects they work for? This contribution presents the case of the Montreal city-region, and

particularly the discourses produced by civil society actors within the recent Citizens' Agora on Land-Use and Development in the Montreal Metropolitan Region, to which almost 400 people participated. Within this event, the dominant message was a desire to reach to the suburbs, and to create a democratic metropolitan democracy. It was also the occasion for actors to show they were not only thinking of their own mission or territory of residence, and that they had a larger regional consciousness. The regional was then a sort of synonymous for generous as opposed to selfish citizenship. This statement against Nimbyism is very important in the current debates on transport infrastructures, as well as on nature-conservation projects, in which civic actors do not want to be discredited. Using the framework of a discursive politics of scale (McCann 2003, Gonzalez 2006, MacKinnon 2011), this presentation of the Montreal case will explore the meaning of the region for civil society actors and communities within a context of disputed projects and multi-scalar urban governance

Gateway A

MULTINATIONAL ENTERPRISES AND SUSTAINABLE DEVELOPMENT IN A GLOBAL-LOCAL PERSPECTIVE: CASE STUDIES OF THE PORT-CITIES ROTTERDAM AND SHANGHAI

Erwin Van Tuijl, Erasmus University, THE NETHERLANDS

The issue of sustainable development has been widely discussed in literature as well as in the society. There seems to be consensus that sustainability includes an environmental, economic and social component, although many studies still focus on one component instead of integrating them. The topic is high on the political agenda of local and (supra) national governments, and forms a core element in the strategies of major companies. New global and national regulatory frameworks on sustainability are set and pose a major challenge for those actors who are supposed to implement new sustainable standards, including Multinational Enterprises (MNEs), local suppliers, and (local) governments. Hence, sustainable development is a multi-scalar process including many actors. The development and implementation of sustainability standards varies from place to place due to contextual differences, such as the development stage of a region and the institutional setting. Literature in economic geography stresses the importance of external relations for regional development. MNEs are the core agents to build connections between regions via their office locations, manufacturing plants, investment decisions and global production networks. However, less insight has been paid in the issue of sustainable development in such a global-local perspective. In this paper, therefore, we analyse how, and why, MNEs contribute sustainable development in a global-local perspective. Moreover, we analyse how policymakers can influence the behaviour of MNEs in order to release regional sustainable development and upgrading. Theoretically, we combine insights from management studies and economic geography. More specifically, we analyse the concept of sustainability on different spatial levels as well as in firm's strategies (e.g. in Corporate Social Responsibility, CSR strategies). Empirically, we investigate the role of MNEs in sustainable development in two major nodes in their global networks: the port cities of Rotterdam and Shanghai. The first has attention for sustainability since the late 1960's, while in Shanghai the topic is on the political agenda only since the start of the 21st century. Despite large contextual differences, the cases show many similarities. The largest difference, however, concerns the driver for sustainability on a regional scale: in Rotterdam, we see cases of investments in community projects in order to improve the labour pool and to create new business, while in Shanghai the major rationale for investments in the community is to get political and societal support. Finally, we show that MNEs play a crucial role in declining differences in sustainable thinking and acting between 'West' (Rotterdam) and 'East' (Shanghai) by: introduction of global sustainability standards; training of workers, suppliers and clients; and via informing network partners via presentations at conferences and publications of (sustainability) reports. They do this not only to get and obtain political support in China, but also due to the need for getting societal support on the global level and for new market opportunities since Chinese clients increasingly ask sustainable quality.

Lisa Van Well, Nordregio, SWEDEN

How do Cohesion Policy Operational Programmes (OPs) conceptualise territorial cohesion and what are the national and regional institutional elements that enable realisation of the goal? Territorial cohesion is one of the overarching goals in the 2007-2013 Cohesion Policy instruments. Still the definition of territorial cohesion can be characterised as a “moving target” - each EU Member State and region conceptualises the policy goal in Cohesion Policy instruments as befits the specific regional challenges and opportunities of the territory. At the same time a few common understandings are evident with regards to how the term is used as a policy goal. One is the aim of ensuring development in all regions - be the urban, rural, sparsely populated, peripheral, coastal, mountainous, etc - in accordance with their own territorial capital. A second understanding of the concept seeks to find the most appropriate balance between territorial measures to increase economic competitiveness, ensure social cohesion and strive for sustainable development. This paper explores the multiple and more specific conceptualisations of territorial cohesion in Cohesion Policy instruments. It first examines how territorial cohesion is explicitly and implicitly addressed in 246 ERDF Structural Fund and Cohesion Fund Operational Programmes 2007-2013. The wide variety of the definitions in the OPs serves to further highlight both the vagueness and complexity of the concept. In general, however, the examination of the OPs reveals that Convergence programmes tend to address territorial cohesion in terms of a reduction of regional and spatial imbalances or as an objective in exploiting regional potential. Regional Competitiveness and Employment regions tend to understand territorial cohesion in a more governance-oriented manner as the opportunities it presents for inter- and intra-regional cooperation and as a horizontal priority in the promotion of coherence between EU policies with a territorial impact. On the basis of the EU-27 wide data, a simple typology of conceptualisations of territorial cohesion in the OPs is drawn and a more in-depth look is taken of how the three EU Nordic countries (Denmark, Sweden and Finland) conceptualise the territorial dimension in Cohesion Policy instruments. The paper then sketches Cohesion Policy governance mechanisms that the Nordic countries employ to achieve relevant territorial cohesion goals. These institutional mechanisms include: 1) epistemic knowledge on territorial cohesion and the challenges of various types of regions, 2) cooperation and coordination relationships between territorial entities to facilitate institutional learning for territorial cohesion and 3) mobilisation capacity of territorial institutions to use Structural Fund support in efforts to impact territorial governance. In looking at the differing needs for institutional capacity at national and regions levels to achieve territorial cohesion and paper proposes a framework for analysing the Structural Funds as an instrument in territorial governance. Top-down and bottom-up institutional elements are crucial for implementing the regional and national visions of territorial cohesion. How OPs conceptualise and use the concept of territorial cohesion in relation to their identified challenges and priorities can help us to understand where the potentials for future territorial development are situated at both national and EU level. The results of the paper could thus feed into the European debate on what territorial cohesion actually means and how the subsequent generation of Cohesion Policy governance can better contribute to the goal.

Reyhan Varli-Görk, Cankiri Karatekin University, TURKEY**Helga Rittersberger-Tiliç, Middle East Technical University, TURKEY**

The main goal of this paper is to discuss inter-linkages and hierarchical relations of Antalya Metropolitan Municipality with major cities especially with Istanbul during the culture-based urban restructuring process experienced in the (neo-liberal governance) period 2004 – 2009. In the neoliberal view, the “preferred form of governance is that of the ‘public-private partnership’ in which state and key business interests collaborate closely together to coordinate their activities around the aim of enhancing capital accumulation” (1). For Harvey, in the neoliberal state, competition between—individuals, firms, and territorial entities (cities, regions, nations, regional groupings)—is deemed to be a primary virtue. Replacing the concept of the competitive city for creative purposes, especially to attract the global capital, de Roo introduces the new concept of the “complementary city”, by which he suggests a collaboration of agencies in the specific fields of two cities to

reverse the money flow from the periphery to the center. With this concept, de Roo(2) proposes a planning model for cities at the peripheries to complement the global projects developed by cities occupying positions of higher rank within the hierarchy of world cities. The major argument made here revolves around the complementary strategies of the growth machine as an overarching 'local elite' organization in Antalya. Various qualitative research methods were used to collect data; individual interviews were conducted (representatives of different interest groups like bureaucrats, local politicians, entrepreneurs, representatives of NGOs, etc.); group interviews of academics were realized; life history accounts (memoirs) were collected; and the news on Antalya in local newspapers were systematically analyzed. The response to the question, "How is this organization connected to global (ruling class) organizations?" lies in the finding that Istanbul distinctly influences the various subfields of economy in Antalya and has dominated culture, art and also the municipal administration. In short, Antalya draws comparisons between itself and Istanbul, sees Istanbul as a model, mimics Istanbul but does not compete with it; thus, in this sense, Antalya is not a competitive city but a complementary city to Istanbul. The other finding worth mentioning is that the global city-region or competitive city-region concepts make sense when describing Antalya, because as a Wannabe World City, Antalya has been struggling for control of space rather than a new emergent form of capitalist territorial competition and development. The field research shows that the strategies developed by the growth machine are not intended to transform Antalya into a 'world city' or 'global city' but into a city of culture by restructuring various fields (culture, economy, tourism and urban governance). The purpose is to broaden the resource and market hinterland of Antalya on the way of being at least a competitive city-region while complementing Istanbul to compete with others.

Gateway A

SUSTAINABLE DEVELOPMENT IN LAND USE AND TRANSPORT PLANNING: A CASE STUDY FOR IRELAND

Amaya Vega, NUIG, IRELAND

Sustainability and its implications for land use and transport planning is an area of growing interest in academia and policy making. There is no universally accepted definition for sustainability, sustainable development or sustainable transport. In its origin, it reflected concerns about current resource consumption and goals of equity to future generations. From an economic point of view, sustainability focuses on the idea of maximising resource efficiency, which in the case of land use and transport planning translates into achieving better accessibility, or the ability to reach activities and destinations, with less resource consumption. Fluctuations in oil prices and the existing efforts to reduce worldwide greenhouse gas emissions have contributed to the increasingly important role of commuting related energy consumption in the public policy debate. International research has shown that commuters to peripheral, low-density parts of urban areas are far more frequent car drivers and use considerably more energy for journeys to work than those commuting to central, higher density employment centres. This has been particularly relevant in Ireland where the combination of large investments in transport infrastructure provision and high property prices contributed to a shift in accessibility and commuting-related energy consumption patterns. In the context of the recent economic crisis, this paper suggests a methodological framework for the identification of priority areas for sustainable land use and transport planning. Resources are scarce and a priority-based approach is needed in order to maximise the benefits with the minimum use of resources. This research draws from recent research on the concept and measurement of sustainable accessibility, where an index for energy consumption for commuting is introduced. This research is not intended to analyse the effect of public policies, but to help to provide relevant information for the planning process by identifying priority geographical areas where the transport and land use day-to-day planning practice should focus in the short term to maximise resource efficiency. The conceptual framework presented here is a valuable tool for planners and policy makers for achieving sustainable development and transport in the future. The research also represents a contribution to the literature on sustainability indicators and the measurement of the relationship between urban form and energy consumption.

Mario Veneziani, Università Cattolica Del Sacro Cuore, ITALY

Modern theoretical growth literature has emphasized the role of spillovers in generating economic growth (Aghion and Howitt, 1992; Lucas, 1988; Romer, 1986). Although empirical studies have provided robust evidences of the connection between agglomeration externalities and urban development (e.g., Glaeser et al., 1992), this link has not been fully described yet. In particular, trying to single out the characteristics of the local industrial base which speed up spillovers' diffusion and attempting to describe how knowledge diffusion, working through spillovers, leads to economic growth might complete the existing description of the aforementioned link. Concerning the first goal, the academic debate contrasts the role of the industrial concentration of economic activities with that of industrial diversity. Regarding the role of industrial concentration, spillovers occur largely because firms in the same industry share a common knowledge base such that their ability to interact is enhanced. This hypothesis has been crucial in the investigation of the birth of the so-called industrial districts in the Italian manufacturing sectors. Regarding the role of diversity, Jacobs (1969) suggests that only knowledge sharing between agents employed in different industries leads to the development of new ideas and, in turn, to economic growth. This process is frequently connected with a product, initially developed for a given industry, being repurposed for or marketed in another one. Concerning the second goal, firms - even in different industries - might locate conveniently near each other due to the existence of market externalities (e.g., labor market pooling). The persistence of market externalities and the enduring localization of firms in a given area drive value added creation and the rise in employment levels. Besides this characterisation, the actual mechanism through which pure externalities, like knowledge spillovers, translate into value added and higher employment levels remains unclear. Audretsch and Feldman (2004) argue that new firms formation is a viable way of realising the developmental benefits inherently embodied into knowledge spillovers. In turn, this might originate from entrepreneurship being a valuable employment opportunity for those workers who are willing to exploit their knowledge's market potential outside the firm they are currently working for. This work aims to understand how agglomeration economies work in Italy. It is often argued that production in the Italian manufacturing sector is driven by externalities arising from industrial concentration. In turn, this has sparked the debate around the relevance of industrial districts. Iuzzolino (2005) has recently discussed the weakness of their existing definition proposed and employed by the Italian Bureau of Statistics (ISTAT) arguing that externalities are only assumed and not actually measured. We model entrepreneurship starting from a basic entrepreneurial choice model (Knight, 1921) and further extend it to include a number of measures of industrial concentration, competition and diversity. The model is estimated on a panel of 103 Italian provinces whose data are made available by the National Institute for Pensions and Social Security (INPS) for the years 2003 to 2007. It is conducted for 12 different manufacturing industries and employs count data regressions with controls for years, regions and employees as the standardising measure. Model estimates lead to three main conclusion. Firstly, industry specific effects explain most of the variability in entrepreneurship across Italian provinces. It follows that studying entrepreneurship in the whole manufacturing may lead to biased inference on the role of agglomeration economies. Secondly, contrary to the predictions of the industrial districts' literature, specialization is negatively related to the formation of new firms while local competition is positively. Finally, low wages are the most important determinant of the entrepreneurial choice. These results seem to imply the straightforward conclusion that entrepreneurship is not a mechanism of spillover diffusion in Italian manufacturing. The decision of creating a new firm is largely based on self employment granting higher wages compared to being a simple worker and depends on the existence of barriers to entry not on the opportunity to exploit the market potential of an innovation. Agglomeration economies in Italy, if any, seem to promote growth through processes which do not involve entrepreneurship.

THE ROLE OF LEADERS AS NEGOTIATORS IN URBAN DEVELOPMENT PROCESSES: A LAND USE PLANNING CASE IN A SOCIETY IN TRANSITION

Basilio Verduzco, Universidad De Guadalajara, MEXICO

Scholars studying leadership have suggested the need to explain failures, not only successful examples of leadership leading to winning regions. In this paper I present the story of unsuccessful planning efforts conducted in a tourist resort in Mexico. The aim is to explore the links between institutional and political structures and the negotiation strategies used by different stakeholders in leadership positions in organizations and social groups involved in urban planning and policymaking. Using negotiation theory the paper shows that such actors use formal and informal rules as well as power positions and political influence during negotiation processes and position themselves as representatives of broader, sometimes undefined, social interests and try to use such “mandate” to shape the process to obtain gains. The paper shows that in the face of unstable rules, and lack of transparency and accountability leaders may use their power to impose their vision and urban to shape the policy agenda. Their negotiation strategies tend to protect their own interests, and they tend to use power to prevent innovation in policymaking which in turn diminishes competitiveness of cities and regions. This outcome contradicts what is suggested in other bodies of literature. They, for example, fail to find a common agenda as suggested by the literature on growth machines. In their role as negotiators, leaders fail to reach an agreement that may provide benefits for all the stakeholders bringing competitiveness to the urban economy. This is an interesting case to analyze how in a society in transition, traditional forms of leadership become an obstacle for consensus building in urban policymaking. In this municipality, local government has emerged from two different political parties. As the rest of the country, the city was governed for decades by the Institutional Revolutionary Party (PRI), it then had two terms (three years each) of a government emanated from the National Action Party (PAN) and went back to a PRI government in 2006. These changes have done some, but not much to change the structure and practices of local economic and political groups. As a result the map of powerful stakeholders involved in urban planning efforts is not wide and each group tends to operate following the principles of a corporatist society. The most important groups are old hotel owners, new hotel owners, land owners, unions affiliated to a national workers federation, professional associations, and some neighborhood based associations. The paper is based on empirical evidence collected in an important Mexican tourist resort during the preparation of a comprehensive land use plan. This is a tourist city located in the Pacific coast in western Mexico where urban sprawl and new tourist resorts along the coast have contributed to the formation of a metropolitan area in three municipalities of two states. The planning effort analyzed here was conducted in the central city of this metropolitan area. The key question this paper wants to answer, is how in a global economy where international tourist resorts have to be very innovative and competitive, a central city that is witnessing its demand to move to other resorts may fail to reach basic agreements in land use planning and to pass urban policies that may contribute to restructure its image and economic base and to respond to the global changes observed in a tourist industry in crisis. To answer the question I use a negotiation theory framework to analyze a planning experience conducted between 2006 and 2009. The case study is structured in three parts. The first part presents the theory of leadership in negotiation of urban policy for a society in transition and explores the connections between institutions, political structures and negotiation strategies. This part suggests that in the presence of institutional instability, stakeholders will look for short time benefits, and the principal-agent problem will tend to exacerbate the difficulties to reach consensus on complex issues such as a comprehensive land use plan that involves thousands of decisions to be taken simultaneously and makes it difficult for negotiators to calculate their alternatives to a negotiated agreement. The second part presents a brief description of urban policies in Mexico and the process of urban change and how these changes have led an uncertain negotiation environment where leadership and representation of social interests are not always together. The third part presents a map of stakeholders describing interests, leadership principles, practices and urban visions brought to the negotiation process. The fourth part describes how, by using distributive strategies stakeholders have stopped all the comprehensive planning efforts conducted in this tourists resort since 1997. Finally the fifth part analyzes the consequences of the lack of agreements and how institutional changes and new forms of leadership may bring innovation to urban policy making in this society in transition and enhance the competitiveness and living conditions of a growing tourist resort.

NEW METHODS OF TRANSNATIONAL LEARNING AND REGIONAL DEVELOPMENT IN PERIPHERAL AREAS**Seija Virkkala, University Of Vaasa, FINLAND****Åge Mariussen, University Of Vaasa, FINLAND**

The current economic situation in the European peripheries, with cutbacks in public spending to handle new financial conditions may be met with new policy solutions promoting regional and local development. To enable local and regional innovation of new policies and development strategies, we need a better understanding of how partnerships in regions located in different countries may learn from each other. The traditional point of departure has been comparative analysis. Various forms of comparison and benchmarking, applying indicators or other types of comparative analysis are used by various trans-national, national and regional institutions, agencies and partnerships. Some of these trans-national comparative approaches are fed into "soft" policy making, such as the Open Method of Coordination (OMC) process in EU, initiated in Lisbon 2000. Closely linked to these efforts have been attempts to identify, document, standardize and disseminate various forms of "best" or "good" practices of regional development. In some cases, such as in the Leader program, specific sets of theories and methods (in the case of Leader, bottoms up mobilization) are defining the core rationale and strategy of the program. In other cases, such as the Structural Funds, a variety of approaches is facilitated, such as local mobilization, "cluster" policies, "systems of innovation" and others. However, both comparative analysis and standardization of fixed "best case" practices has limitations. There is a need to move further. The paper takes as a point of departure articles in *Regional Studies* journal on transnational learning and benchmarking by Hassink and Hulz (2010), Huggins (2010) and Wink (2010). This discussion points in the direction of the significance of institutions in the learning process. In this respect, we discuss Nonaka et al, as well as theories of institution building presented by Barbara Czarniawska (2009). Empirically, the paper explores cases of action-research based experiences in promoting learning of good practices between regions, localities and partnerships in different countries. The empirical cases are from the peripheral areas in the northern Europe. The paper is examining firstly the process and characteristics of good practices of local innovation. Secondly, it will discuss how learning from good practices by other localities/ partnerships in other countries is possible. These good practices were looked for, analysed, compared and finally transferred to the other regions of Nordic countries through action-research interventions and other forms of translation. In order to promote learning, short term interventions and projects must be embedded within institutions. The paper discuss (1) what are the conditions of regional institutional learning, (2) how to develop the learning capacity especially in more peripheral regions, and (3) what are different forms of transnational learning in regional development. These experiments to promote innovation in regional development policies are accordingly today followed up through the establishment of the trans - national Bottnia Atlantica Institute at University of Vaasa, Finland in 2011.

BUSINESS OPERATORS CONTRIBUTION TO REGIONAL AREAS: SKILLS, BENEFITS AND ROLES BEYOND THE STORE FRONT**Peter Vitartas, Southern Cross University, AUSTRALIA**

What would attract a highly skilled entrepreneur to a rural or regional area with an ageing population and exodus of youth? In this paper we report specifically on data from self employed business operators collected as part of a larger study on professional and other highly skilled workers that examined how rural communities can capture maximum benefit from an increasingly mobile and transitory workforce. We identify a wide range of benefits that regional areas can derive from skilled business operators beyond the services and produce of their enterprise. However these new entrepreneurs face many challenges in smaller regional centres. Their work and efforts often go unrewarded or they are overlooked because they operate in the private sector and there is an expectation that their efforts are rewarded through the profit of their business. Community settings that could encourage and support new operators are identified and discussed. The project was funded by the Australian Rural Industries Research & Development Corporation. Data reported here are derived from the first Australian study to explore how rural communities can capture the advantages from highly skilled mobile workers. This qualitative study was exploratory and used a multiple site case study design. With assistance from the project reference group, seven rural communities were selected, six in Australia and one Canadian site. The seven sites

represented variation in terms of size, location, degree of remoteness, and rural industry base. Only communities under 12 000 people were eligible for inclusion in the study. Data were gathered through individual, semi-structured interviews with key informants and mobile skilled workers. The findings reported here are based on interviews with 17 self employed business operators who were included in the larger study of 28 key informants and 89 mobile skilled workers. New business operators face a number of issues in their struggle to establish and maintain their business in regional areas but also recognise the need to form strong connections with the community to gain acceptance for their enterprises. The paper outlines a number of benefits that arise from new commercial entrants to a region and argues that rural towns need to develop strategies in order to optimise the benefits they derive from new business operators. These include encouraging new business operators to become involved in social activities of the town and region; publicising the benefits of new business operators and other newcomers to the whole community and celebrating their contributions to the region; identifying specific leadership roles in relation to the integration of newcomers; providing a coordinated, planned and well publicised integration program that extends to all newcomers; engaging the business operator's family in the community; and supporting the development of networks of like-minded people. Contrary to the traditional practice of allowing new businesses to "sink or swim" regions can be proactive in supporting and assisting new business operators who will bring innovations, employment, new visitors and income to a region. New business operators were found to be strong supporters of the community and made major contributions to the capacity and resiliency of the community. In addition they provided good practice in natural resource management, enhanced social and leisure opportunities, and increased the quality and range of local services.

Gateway U

TOWARDS A COMPARATIVE UNDERSTANDING OF STRATEGIC SPATIAL PLANNING PRACTICES IN EUROPE

Cormac Walsh, NIRSA, NUI Maynooth, IRELAND

The emergence and institutionalisation of strategic spatial planning and territorial cohesion policy in Europe since the 1990s has led to renewed interest in comparative perspectives on regional and local scale practices of spatial planning in diverse territorial contexts (see Healey et al., 1997; Albrechts et al., 2003; Adams et al., 2006; Davoudi and Strange, 2009). A significant body of literature has furthermore explored the 'Europeanisation' of spatial planning policies and practices, through the influence of EU initiatives and territorial cooperation programmes (Faludi, 2004; Dühr et al., 2007; Waterhout and Stead, 2007). There is also an increased awareness that traditional planning approaches are ill-suited to respond to the inherent uncertainties and complexity of today's spatial governance challenges (Schmidt, 2009; Waterhout et al. 2009). These challenges, for example, include coping with the spatially uneven dynamics and outcomes of economic globalisation and liberalisation, complexity of socio-economic developments and changing spatial development patterns, increasing socio-spatial disparities, and on-going institutional and governance transformations – particularly at the metropolitan or regional/city-regional scale. It is increasingly evident, however, that the concept of strategic spatial planning has come to represent a diversity of multifaceted and fragmented practices, confounding assumed narratives of Europeanisation and policy convergence (Nadin, 2007; Waterhout et al., 2009). Whereas in the UK (and Ireland) context, the term 'spatial planning' has become imbued with progressive connotations, associated with various reforms of planning policy and practice, in the Netherlands and Germany, spatial planning refers to established statutory systems of planning at the regional and local scale. More significantly, there is substantial variation in the manner and extent to which new strategic and informal approaches to spatial planning relate or are perceived to relate to existing regulatory systems. This paper seeks to move towards a context-sensitive, inductive understanding of strategic spatial planning in Europe, taking seriously and extending Syke's (2008) call for a context-dependent comparative approach to the application of European spatial policy and the Europeanisation of spatial planning. Innovative and emerging practices of spatial planning are framed in terms of strategic responses to diverse spatial development challenges. These strategic responses may come emerge through reforms of existing legislative systems or through the adoption of flexible, informal governance mechanisms which complement rather than supplant existing statutory frameworks. It is argued that studies of strategic spatial planning in practice need to move beyond current normative and policy-oriented debates to critically assess the strategic spatial governance capacity of existing approaches in their various contexts. Furthermore, it is contended that an analytical focus on diverse spatial development challenges can serve to further mobilise the concept of 'territorial diversity', prominent in current EU spatial policy discourses. This approach implies a critique of static interpretations of spatially differentiated

territorial development potential and places emphasis on the dynamic and constantly shifting nature of spatial development challenges and their policy responses. Two contrasting case studies, the Dublin (Republic of Ireland) and Erfurt (Germany) city-regions serve to illustrate the arguments made.

Gateway H

CITY-REGION: THE WAY FORWARD FOR CHINA'S URBANISATION?

Xuefeng Wang, Newcastle University, UK

This paper draws on the development of city region concept and characteristics of urbanisation in different stages in developed countries to examine whether city region could be adopted as a form for China managing its rapid and ever largest scale of urbanisation. Drawing on a current research project undertaking in Henan province, the most populous province but relatively less urbanised in China, aiming to review its urban and regional policy, it highlights the relations between the way in which economic growth and forms of urbanisation, and lessons to be learned from elsewhere. It found that both regional and local governments are making endeavour to develop large or mega cities following uneven development strategy without an integrated and systematic thinking. The paper concludes with an argument that other than urban focused approach moving people from rural to urban area, the concept of city region underpinned by a strategic spatial planning may be useful for Henan to manage a more sustainable urbanisation which requires developing functional economic regions through the development of united labour market, housing market, land use policy, social services and security system, and infrastructure, throughout the territory. An integrated approach and place-based thinking are also vital for managing the development of city region in the context of Henan where labour intensive manufacturing dominated industrialisation has been the main driving force of economic growth.

Gateway J1

SUSTAINABLE LAND MANAGEMENT – NEW DIRECTIONS IN REGIONAL DEVELOPMENT POLICIES

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The aim of the paper is to analyse new drivers of land use change, new conflicts resulting from these developments as well as consequences for governing land in Europe referring to regional development. In consequence, pathways for future land use policies as well as regional development policies towards sustainable land management are to be discussed. Over the last few years, new external and internal drivers influenced land use patterns in Europe and Germany. Global climate change, economic and social trends (e.g. globalisation, demographic change), technological innovations (e.g. for communication and mobility) as well as political priorities (e.g. in climate and biodiversity policy) in combination with changes in values (e.g. sustainability, multifunctionality, ecosystem integrity) caused new demands and, in many cases, conflicts in land use. In Europe parallel processes of growth and shrinkage of regions and metropolitan land demands (economic competitiveness of regions and regional innovation potential) as well as new energy demands (e.g. for biomass production or food production) enforce land use conflicts. Land use conflicts can be observed and distinguished both between different types of land use and within one. The expansion of settlement and infrastructure areas in Germany can be seen as a prominent example for rising land use conflicts between different types of land use. Within 2000 and 2009 the site-specific utilisation for settlement and infrastructure has increased about 348,300 ha in part at the expense of agricultural areas. An example for conflicts within one type of land use is the competition at acreage between the production of bioenergy and food or feed in the wake of ambitious targets of German Federal Government to reduce greenhouse gases. Between 2003 und 2010 the agricultural area used for energy crops increased from 800.000 ha to 2 million ha in Germany. It is to be expected that the trend continues. Currently, these new challenges are not taken into account adequately. Particularly, main conflicts remain unsolved: - cross-sectoral problems but sectoral approaches, - multi-level challenges but mostly problem solving

orientation on one level, - creation of win-lose situations instead of win-win situations. Further on, missing resources or deficits in conflict regulation like coordinating vision processes increase pressure on sustainable land use. Both in the European Union and in all European national states like Germany a high variety of institutionalised activities influencing land use exist. In the EU land use is not a specific policy field as part of the treaties, but the Gothenburg and the Leipzig Charta address elementary aspects of land use like sustainable forest management, sustainable resource management, coastal zone management or risk management. In addition, specific fields of EU-policies play a considerable role (especially DG Regional Policy, DG Environment, DG Agriculture and Rural Development). On the national level in Germany as well as in various European states a sophisticated system of instruments influencing land use has been established, such as regional planning as a comprehensive form of influencing land use or sectoral policies like regional economic policy, environmental policy and environmental planning. Agricultural policy strictly depends on European Union regulations. Forestry policy is debated at international level. However, responsibilities still remain at national and regional authorities. Although comprehensive planning and management instruments exist and sectoral activities tend towards more integrative approaches over the last few years, a coherent or integrative system still does not exist. Levels of activity, involved actors, topics, visions, targets, instruments and governance modes as well as pathways of discussion differ in many cases. In consequence, the German Federal Ministry of Education and Research (BMBF) set up the funding measure "Sustainable Land Management". It was designed to generate knowledge for sustainable land management and to provide relevant strategies for action as well as suitable technologies and system solutions by means of inter- and transdisciplinary research approaches. Main intention is to generate synergies to support institutional innovations. This will be realised by integrated analysis of problems, by developing coherent solutions as well as by implementation and sustainability of results. Within the presentation new approaches of solving complex problems focussing on new perspectives of governance will be outlined. In a first step, different types of conflicts will be identified and possible synergies in land use will be discussed. In a second step, conceptual models of problem solving for interaction in and changes of land use will be presented. This requires an identification of relevant stakeholders and decision makers.

Gateway B

WOMEN IN MARKETING: SELF-EMPLOYMENT IN THE EU

Daniel Wheatley, Nottingham Trent University, UK

Marketing is considered to be a feminised industry yet there is little knowledge about the careers women have in this sector, especially the self-employed. This paper focuses on women in the marketing sector in six countries from the 2009 EU LFS sample, where countries were selected for analysis on the basis of the Economic Intelligence Unit's Overall Women's Economic Opportunity rankings. The analysis builds upon prior work conducted using the UK LFS, to present a picture of the employment of women in marketing within the EU. The EU6 selected are: Belgium, Finland, Germany, Norway, Sweden, and the UK. Our analysis suggests that women working in marketing are younger and more highly qualified than in other sectors but are less likely to be in senior decision-making roles. A number of older and often highly educated women in the industry, many of which report being married and having dependent children, are self-employed suggesting that marketing talent may be being lost to corporate marketing but not necessarily to the industry. In addition, many of these women report secondary employment, suggesting that this talent may retain close connections with corporate marketing. Overall patterns among self-employed women in marketing are comparable across the EU6 suggesting women face similar working patterns across Europe, but with some important and statistically significant variations. The overall picture is one of women in marketing pursuing self-employment when they reach a particular life and/or career stage for the added flexibility this offers, often driven by caring responsibilities.

Joanie Willett, University Of Exeter, UK

To meet the twin challenges of housing shortages and climate change, the previous Labour government developed plans to build 10 Eco Towns: Communities of at least 5000 homes, developed within principle of environmental sustainability. Although the new coalition government has halved some of the funding towards newer proposals, and the Housing Minister Grant Shapps has promised that only developments that have local support will go ahead, the indications are that many of the existing plans will be allowed to continue. This raises a number of issues. Firstly, that eco towns need to have a strong degree of sensitivity to existing local communities, and secondly, that eco towns need to be able to achieve the goals that policy has for them in terms of sustainable living and housing targets. The UK has a long history of building new communities, but the current form of eco towns represents a new and interesting development, and the contributions that these conurbations may make to sustainable living is a vital area of investigation. However, there are important lessons that need to be learnt from the experience of new town developments in the latter 20th century, namely that often the goals in place at the outset were not met, or were subjected to unintended consequences. Some of these outcomes provide specific lessons, but perhaps more helpfully we can also make some more theoretical learning from previous planned communities in the UK and farther afield. This paper will explore the theoretical insights from past new town developments through the lenses of complexity theory and emergence, problematising the effectiveness of teleological and goal driven policy. In particular, it will draw on Prigogine and Stengers, Bergson and symbolic interactionism to address identity, sustainability and social capital to answer the question of how eco towns can achieve their goals of sustainable social and natural environments both in relation to the new settlements, but also in terms of existing communities. The paper will call for an approach based on lateral power relationships of mutual understanding, co-evolution and adaptive learning, and suggests that an understanding of the narratives of identity of all the parties involved may provide a way to do this.

James Wilson, Basque Institute of Competitiveness and University of Deusto, SPAIN

Cluster policy is an economic policy instrument that has been extended across the world since Michael Porter began to promote it in the context of his various works on the competitiveness of territories. These policies have 'soft' roots in that they are oriented towards building cooperative relationships of a systemic nature, bringing together different economic, social and institutional effects. Their premise on a combination of proximity and cooperation makes them particularly relevant tools for regional policy. However there remain significant theoretical and empirical questions around their rationale and effectiveness, and in particular around the question of whether or not it is possible for policy to 'create' or facilitate cluster cooperation dynamics. This paper contributes to these debates by drawing lessons from a participatory policy evaluation process focussed explicitly on measuring and improving the actual state of cluster cooperation. The Basque Country region was a pioneer, at the beginning of the 1990s, in the design and implementation of an industrial policy based around clusters. Under this policy cluster associations, promoted and financed by the Basque regional government, assume the role of cooperation 'facilitators' among their associated firms. Their objective is to improve the competitiveness of the firms through facilitating the development of strategic projects in cooperation. Today there are 12 priority cluster associations supported by the Basque Government, which make up 6% of firms, 28% of value added and 32% of employment in the Basque region, and a further six 'pre-cluster' initiatives. A stream of research since 2003 has sought to analyse the impacts of this cluster policy, taking a variety of different approaches. As highlighted by Aranguren et al. (2010), the results of this trajectory of research have confirmed the difficulty of measuring the impact of a 'soft' policy such as this on firms' competitiveness. The importance of intangible and learning effects (trust, cooperation, transfer of knowledge and experience, ...), the complexity of cause-effect relationships, and the embedded nature of these policies all contribute to the difficulty in evaluating them and pose new challenges (Raines, 2002, Diez, 2001). Responding to these

challenges it is particularly important to find evaluation approaches that fit, and indeed contribute to the cooperative basis of the policy itself. This implies focussing evaluation processes on the existing culture and experience of cooperation in clusters that are supported by policy, thus targeting policy learning outcomes. As such this paper reports on the evolution of a participative evaluation process that has been piloted in the Basque Country. Adapting Gilliam et al (2002), the process has been developed and applied to the Basque aeronautics cluster association (Hegan) in eight phases: (1) proposal presentation; (2) semi-structured interviews; (3-4) two structured stakeholder workshops; (5) design of a data-collection tool; (6) collection and analysis of data; (7) a third stakeholder workshop to discuss and analyse preliminary findings; (8) wider dissemination of results and methodology. After introducing the relevant theoretical and empirical precedents with respect to the design, implementation and evaluation of cluster policies, the paper structures reflection on the process undertaken in this case around three sets of questions: (1) Who defines the evaluation questions, and how inclusive is the process?; (2) What are the evaluation questions?; (3) How can data from these processes be generalised? This reflection then forms the basis for analysis of results from the process in terms of the specific obstacles to cooperation encountered, the generation of policy learning outcomes, and the extent to which such a process can be generalised to other cluster and policy contexts.

Gateway A

FORMER MINING REGIONS ON THE WAY TOWARDS SUSTAINABILITY

Peter Wirth, Leibniz Institute Of Ecological And Regional Development, GERMANY

In 2001 the European Council in Gothenburg adopted the EU Sustainable Development Strategy (SDS). The revised version of the SDS (2006) aims at the continuous improvement of the quality of life and well-being on earth for present and future generations. It promotes a dynamic economy with full employment and a high level of education, health protection, social and territorial cohesion, and environmental protection in a peaceful and secure world, respecting cultural diversity. Considering these objectives at the regional level, it is apparent that regions in Europe differ in how they fulfil the demands for sustainable development. Some already meet sustainability goals to a considerable extent; others face fundamental problems in achieving sustainability. A prime example is offered by mining regions. After a long history of mining activity they are mostly confronted by de-industrialisation, high unemployment, and out-migration combined with an often difficult environmental legacy (air, soil and water pollution; Lintz & Wirth 2007). The question is how regions with an obviously non-sustainable past can get back on track in sustainability. The approach chosen is neither normative nor does it aim to measure environmental indicators. It is concerned rather with actor constellations, modes of interaction between actors (Scharpf 2000), and impacts on the governance systems of the affected regions (Färst & Knieling 2002). The 'sustainable region' is seen on a spatial level located 'between local Agenda 21 and a 'national master plan' (Walser & Thierstein 2000). A case study in the lignite mining districts of eastern Germany has been chosen to illustrate changes in governance structures after the cessation of mining. In the Lusatian Lakeland (Lausitzer Seenland) the extraction of raw materials ended around 1990. Today the region is on its way to becoming a new destination for tourists. In a research project the Leibniz Institute of Ecological and Regional Development in Dresden analysed structural and institutional change from 1990 to 2010. The investigation focused on the principal actors, actor constellations and modes of interaction. The development process was reconstructed over 20 years. Empirical findings show intensive efforts by regional actors to tackle decline and open up new perspectives. A trial-and-error phase in the 1990s involving many isolated ventures was followed by more cooperative activities and common projects, finally producing an integrated approach to development involving both local and state authorities, as well as private actors. This process can be characterised as a frame change for the whole governance system opening the way to sustainable regional development. It has brought both new opportunities and setbacks.

TOWARDS A TYPOLOGY OF NATIONAL POLICIES TO PROMOTE ECONOMIC, SOCIAL AND TERRITORIAL COHESION IN THE EUROPEAN UNION

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This paper presents the findings of a recent study for the European Commission conducted in the framework of the 5th Cohesion Report. The purpose of the study was to identify which Member State economic policies are of most relevance to the EU objectives of economic, social and territorial cohesion, to describe how such policies are designed and implemented, to assess the role of EU Cohesion policy in national policies and to develop a typology of policy approaches. An issue fundamental to the study is that there is no concrete and consistent definition of the concept of 'cohesion'. The different dimensions of cohesion (economic, social, territorial) have been the subject of Commission studies and academic and other analysis, but there is no agreement on definitions that can be operationalised. Interestingly, cohesion is not generally part of the domestic policy vocabulary, except in relation to the cofinancing of EU Cohesion policy. Nevertheless, four main objectives can be identified which are pursued 'in the name of' cohesion. These may be characterised as: •the reduction of regional inequalities, where the key consideration is to mitigate disparities between regions •regional competitiveness, where the principal aim is the exploitation of regional potential as a contributor to national growth •national competitiveness, where the main focus is on maintaining and enhancing the competitive advantage of the national economy •national development, where the overriding objective, at least in the short-term, is to narrow the development gap between national prosperity and the EU average. Running alongside these, many countries also address specific geographical disadvantages, notably remoteness and insularity, but also upland and mountainous regions. Just as 'cohesion' lacks a concrete definition, so too does the scope of expenditure on cohesion. Nevertheless, three key points emerge from the analysis of public spending: •expenditure on economic development generally appears higher as a percentage of GDP in poorer countries than in richer ones; this ceases to be the case when the EU contribution to economic development spending is discounted •spending on social protection is the single largest item of public spending and dwarfs spend on economic development; it varies widely between countries, but even in PPS per head, more prosperous countries spend more than less prosperous ones •there are wide differences in the scale of national cofinancing of EU cohesion policy as a percentage of GDP; this is closely correlated with prosperity – poorer countries commit a significantly greater proportion of GDP to cofinancing Cohesion policy than do richer countries. This may constitute a significant drain on national spending and significantly reduces the scope for a genuinely domestic regional policy. There are three main types of national economic policy aimed at promoting cohesion: narrow regional policies; broader policies for territorial development; and those sectoral policies which have an explicit or implicit economic cohesion dimension. Policy implementation varies considerably across EU Member States depending on the distribution of competences and resources. Countries' approaches can be placed on a continuum from the quasi-absence of the central state in regional policy-making, to an oversight role of a central ministry, to important coordination and budgetary powers retained by the central level, to a predominance of the central state over sub-national entities. The extent of EU Cohesion policy influence over the objectives of national policy is variable. In general, Member States reinterpret EU Cohesion policy according to their own needs and policies, and spend the financial resources obtained according to their own preferences. Institutional change is one of the most visible factors of 'value added' of Cohesion policy, especially in the EU12. A key task of the report was to devise a typology of Member State approaches to Cohesion. Any typology is likely to be controversial, but in spite of the wide diversity of the economic geographies of the Member States and their policy responses, it is possible to establish groupings where there are arguably more commonalities than differences. Five main types of national policy approach are distinguished: Type I: Prominent regional disparities – regional development policy emphasis Type II: Diverse regional differences - regional competitiveness policy emphasis Type III: Limited regional disparities – national competitiveness policy emphasis Type IV: Diverse geographical issues - national advancement policy emphasis Type V: Widening regional disparities – national development policy emphasis In most countries, the competitiveness objective seems to prevail over the alleviation of interregional differences. In the more prosperous countries this is achieved through direct support for R&D structures and technology advancement. In the less developed ones national competitiveness is enhanced by directing large parts of EU funds to cities and major infrastructure.

AT THE FRONTIER OF RESEARCH: EUROPEAN RESEARCH COUNCIL AND ITS FUNDING OPPORTUNITIES

Mirjam Witschke, European Research Council Executive Agency, BELGIUM

The European Research Council (ERC) is a newly-created European funding body supporting investigator-driven frontier research across all fields of science within the 'Ideas Programme' which is part of the European Union's Seventh Research Framework Programme (FP7). The overall budget for the ERC is € 7.5 billion over 7 years (2007-2013).

Its main aim is to stimulate scientific excellence by supporting and encouraging the very best, truly creative scientists, scholars and engineers to be adventurous and take risks in their research. The scientists are encouraged to go beyond established frontiers of knowledge and the boundaries of disciplines. ERC grants are awarded through open competition to projects headed by starting and established researchers, irrespective of their origins, who are working or moving to work in Europe - the sole criterion for selection is scientific excellence. They offer attractive and funding opportunities (grants worth up to 3.5 Million EUR) for individual scientists regardless of their nationality, for projects carried out at a host institution in one of the countries of the European Union or Associated Countries.

The ERC complements other funding activities in Europe such as those of the national research funding agencies, and is a flagship component of the European Union's Seventh Framework Programme (FP7). More information at: http://cordis.europa.eu/fp7/ideas/home_en.html and <http://erc.europa.eu/index.cfm>

SYSTEMS AND TOOLS OF QUALITY MANAGEMENT IN LOCAL AUTHORITY OFFICES AND THE EFFECTIVE USE OF EU FUNDS

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Kinga Paciorek, Komiński University, POLAND

Since the enlargement of the European Union in 2004, Poland has been granted funds that aim at supporting regional development and strengthen the cohesion within the Community. One of the main groups of beneficiaries is local governments, which in the period 2007-2013 absorb more than a half of all resources. They can get financial support for investments in transport infrastructure, environmental protection, education, cultural and sporting activities as well as improvement of quality of human capital in regions. Research on the factors determining the efficient use of EU funds conducted to date has focused on issues related with their acquisition. It has argued that the government members; and officials; attitudes had the greatest impact on the efficiency of local governments in obtaining EU funds. In fact, the evidence suggests that external adverse factors - such as the size of the municipality, the size of its budget (including the size of own revenues in the budget), the level of economic modernisation and development, its location (peripheral or not) and historical and social conditions (including the level of social capital) - are not an obstacle in acquiring EU funds if the local government is managed by an ambitious and competent elite. The most important factor is the figure of a leader who can manage and motivate his/her employees, who is able to cooperate efficiently with members of the municipality's Council, and build coalitions with private sector representatives, regional authorities, business institutions, NGOs, etc. The research presented in this paper aims at examining the extent to which the quality of the management of local government units allows for proper use of EU cohesion funding. The authors verified the impact of the use of tools and procedures which are part of the New Public Management paradigm on efficiency in the use of EU funds. The study recognises three aspects of efficiency of use of EU cohesion funding: number of funds obtained, proper implementation (realisation) of the project and qualitative value of projects in the context of local development. Both quantitative and qualitative research methods were used for the purpose of this study. The first part of the paper deals with the results of secondary data analysis while in the second part presents the findings from a case study of Dzierżoniów municipality in Lower Silesia region.

BUILDING ARABIC BUSINESSES IN SYDNEY'S WEST CENTRAL: CHALLENGES FOR PLACE-BASED DEVELOPMENT

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The question that guides this paper is whether or not a significant presence of Arabic owner-operated businesses in Sydney's West Central has unrealised or blocked potential to deliver significant employment growth in this planning sub-region. In particular the paper seeks to decipher whether such impediments are predicated on a set of distinct or diverse business practices performed by this group. Prompting this study, conducted for Industry & Investment NSW, was the 2005 NSW Government's Metropolitan Strategy City of Cities. This strategy has set a target of a net additional 61,000 jobs for West Central by 2031 with parallel expectations for 95,000 new dwellings, and has thus been designated an important Sydney sub-region for urban renewal. Little, if any, strategies have been revealed about how best to achieve these ambitious targets. At present West Central is characterised by above average rates of unemployment alongside low labour force participation rates especially for those with non-English speaking backgrounds. It is also Sydney's (and Australia's) prime region for new migrants alongside enduring significant territorial, economic and social polarisation between this sub-region and that of 'Global Sydney'. The empirical findings revealed in this paper speak to debates about creating place-based development strategies and developing locally fashioned responses that harness and foster local capabilities and strengths. In the context of West Central part of this strategy requires ensuring that the corpus of Arabic businesses are seen as a core asset and be promoted as a positive feature of the area. The paper also draws attention to the way ethnic and immigrant businesses have usually been approached and reported in local and regional development studies.

IDENTIFICATION OF SLOVAK REGIONS POSITIONS IN THE EUROPEAN UNION

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Slovakia is a small country situation in the middle of the European Union. Despite its small size, differences among the regions are substantial. The aim of this paper is to identify positions of the Slovak regions in the European Union in terms of employment/GVA produced in selected branches, demographic characteristics, and research and development indicators. The analyses are based on cluster analysis tools and NUTS2 and NUTS3 levels are compared.

IMPACTS OF GOVERNMENT POLICY ON UNIVERSITIES: A CRITICAL ANALYSIS OF WALES

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The relations between government, university, and industry have been changing dramatically in the last three decades. The Triple Helix innovation model describes these three sectors collaborating more closely than before (Etzkowitz and Leydesdorff, 1997). Government is ideally a facilitator between different sectors. Universities shift by adding knowledge commercialisation, called the third mission, to their two old missions in teaching and research. Industry is also more likely to absorb inventions created by universities or to fund projects directly in universities. University-industry interaction has been a hot topic in this subject. A handful of researchers have discussed possible effects that university-industry interactions have on the quality of academic research (Baldini, 2008; Geuna and Nesta, 2006). Some authors hold the opinion that universities should enjoy high autonomy as they did before, and they worry these interactions may undermine the research performance of faculties when they have to devote more time to industry funded projects (Agrawal and Henderson, 2002; Murray and Stern, 2005). There seems limited study of the question of what effects the other sector in the Triple

Helix – government – has on universities. This paper aims to contribute to this topic and focuses on a periphery region in the UK, Wales. Specifically the study discusses the effects of Welsh Assembly Government (WAG) sector-based economic policies on the allocation of EU funding to Welsh Universities. We look into EU funding rather than all sources of financial support in Welsh Universities for two reasons. Firstly, details of all funded projects are inaccessible whilst the EU funded projects have full access. Secondly, the results of this study show that the choice of the EU funding supports our arguments. Furthermore, this paper may be worth extending to address all government funding to Welsh Universities, when all data is accessible. We suppose the main conclusion would not be very different. In the case of Wales, the government situation is complicated due to its status as a devolved UK nation. Wales cannot make primary legislation (unlike Scotland) but has remarkable executive power to make subordinate legislation (Potter and Marchese, 2010). Although the WAG is largely responsible for education policy in Wales, and has a relatively high degree of autonomy in this area, it is still the UK national government that is responsible for much of the goal setting. Also, the WAG has no tax raising powers and so funding that comes to universities from this source is necessarily delivered through the UK government, and associated research councils. The Welsh European Funding Office (WEFO) is part of the WAG and manages the delivery of the EU Structural Funds (ESF) programmes in Wales. WEFO publishes all project information through its database. In this study, we focus on projects going to universities. Currently, the database contains projects funded between 2007 and 2013. The former two versions contain projects approved and funded between 2000 and 2006. EU funded projects are found to be located in a limited group of sectors, namely Environment, ICT, Health, Marine, Manufacturing, and Training. The WAG, in their Economic Renewal Programme (ERP), has also selected six sectors: ICT, Energy and environment, Advanced materials and manufacturing, Creative industries, Life Sciences, and Financial and professional services. Comparing the six sectors in the ERP and the sectors listed in the projects, we find a high similarity, showing the government's strong impact on the direction of university funding. However, the ERP itself, in particular the selection of these sectors is controversial. There is a large body of literature discussing the extent to which government funding should be selective. In some circumstances a certain degree of selectivity is inevitable and important, especially when government's resources are limited (Edquist, 1999). Selective policies need to be geared towards the technological endowment of the country or region, and the capabilities of its business sector (Lall and Teubal, 1998). The key question this paper asks is whether the right sectors have been selected by WAG, and the impacts this choice has on university funding and regional development. The findings show that EU funding is distributed unevenly across Welsh Universities. Indeed, six out of the total twelve universities do not receive any funding from the EU. Swansea University receives the most EU funding and Cardiff University relatively little. It is surprising that Cardiff University, with a highest ranking in Wales in terms of research, lags behind. This funding bias towards certain universities in certain areas of Wales may have profound effects on regional development. The reason for this is that knowledge largely spills over in a localised context, leading to enhanced innovation and development in certain areas surrounding these better-funded sources of knowledge (in this case the university). This paper suggests that sector based economic policies could lead to increasing regional disparities.

Gateway G1

MEASURING PROXIMITY AND DISTANCE OF SCIENTIFIC PAPERS' CO-AUTHORSHIP NETWORKS

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For research and innovation processes networking and cooperation becomes increasingly important - this holds for public as well as private entities. Whereas in past decades many knowledge creation processes were conducted by single persons, this has changed considerably over the last two decades - not least because of modern communication technologies. Thus, the cooperation of various actors involved in knowledge creation processes becomes a considerable matter of concern. In order to cooperate they do not need to be located at the same place, they might be affiliated to different organisations and they do not have to have the same professional background. Cooperation of these persons implies different proximity and distance relations, both geographically as well as relationally. Furthermore, they might cooperate albeit being competitors. In this paper the co-authorship of scientific papers is analysed as one example for possible cooperative networks in knowledge creation processes. We specifically ask, (1) which type of distances predominate; (2) which combinations of proximity-distance-relations can be found most often; (3) what kinds of typical structures can be identified within the networks and (4) what kind of structural differences can be observed for the networks of

different thematic fields? In order to find answers to these questions, it is firstly necessary to operationalise the different forms of observable proximity-distance-relations. This is anything but trivial as quite different approaches for such measurements could be thought of. Altogether we distinguish five types of such relations, namely geographical, cognitive, organisational, institutional and territorial institutional relations. We do not only want to identify either of the proximity-distance-relations but especially analyse their combination. Our approach aims at being applicable to very different structures of cooperative networks, ranging e.g. from only two persons to several tens or even hundreds of persons who might be located at the same location as well as being spread across continents. Our major concern is the analysis of cooperative behaviour of the German knowledge economy's private entities. Therefore, out of an exhaustive variety of scientific papers we only analyse those papers of selected journals, which have at least one co-author who worked at the time of the paper's preparation in a private entity of the German knowledge economy. In addition to this selection, previous research projects pointed out behavioural and institutional differences between different sectors of the knowledge economy. This is why we furthermore focus the analysis of proximity and distance between co-authors on two thematic fields, which represent different segments of the knowledge economy, namely legal journals and journals in the field of biotechnology. After a discussion of the pros and cons of the chosen methodological approach including the selection procedure, the paper will point out the main interim findings, which shall be further elaborated and deepened as the research project progresses. First results indicate fundamental differences between the two chosen fields of scientific papers: -In legal papers the co-authorship of no more than two authors dominates whereas the publication networks of biotechnology articles usually consist of more than two authors and tend to be significantly larger. -For the large majority of relevant legal papers all authors belong to the same affiliation, are educated in the same field etc. Thus, only for a relatively small number of these papers cooperation networks include either of above distance relations. In addition, even for a smaller number of papers the accumulation of more than one distance can be observed. -In biotechnology papers we find a large variety of different proximity-distance-relations. However, the coincidence of proximity across all different types of relations mentioned above does not occur very often.

Gateway J1

VISIONING AND VISUALISATION IN COMPLEX POLICY ENVIRONMENTS: THE CASE OF THE RANDSTAD AND ITS SOUTH WING

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Spatial planning derives its rational from ideas and perceptions about desired spatial development and desired spatial structures: Planning is supported by visions. A key assumption in spatial planning is that operational decision making with territorial effects needs to be framed within some sort of spatial vision on area or place. So visions and projects – which rest on operational decisions – are connected or should be connected. Spatial visions come in many different forms and shapes. In many cases they contain spatial images. Such images may lead to consensus (Neuman, 2010) but also often lead to conflict, possibly more than words. It is for this reason that sometimes the makers of a spatial vision deliberately choose to abstain from the making of maps. There are even academics who emphasize that spatial planning should no longer use maps because they lead to ‘iconographic gaze’ (Van Eenten & Roe, 2000). There are others like Alexander (2001) who claim the opposite: “some form of graphic representation is essential for communicating any ideas that have a spatial dimension”. Nevertheless the example of the 1999 European Spatial Development Perspective shows that when there is no real consensus on where is planning about - let alone some shared perception of how a territory is structured - no policy maps are included in the final document (Dühr, 2006; see also Zonneveld, 2005). There is a growing attention in the planning literature on the use of maps and spatial images (see for example Thierstein & Förster, 2008; Carton, 2007). What has not been done so far is a systematic exploration of the relation between the content of maps – what is the visual language and is it possible to make a distinction between different types of maps? – and how and why they are used in planning discourse. This paper seeks to do that taking the example of the Randstad and its so called South Wing, the area stretching from Leiden in the north to Dordrecht in the south. What this paper also seeks to do – partly on the basis of literature on transition management (Grin et alia, 2010) is to develop ideas about visioning and visualization in relation to decision-making: is it possible to overcome constraints set by fragmentation on the level of governance and policy-making?

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