

Regional Studies Association: A Leading and Impactful Community

# **Building Bridges: Cities and Regions in a Transnational World**

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Annual Conference

3<sup>rd</sup> April – 6<sup>th</sup> April 2016

Karl-Franzens-Universität Graz,  
Austria

This volume has been compiled by  
Wanda Miczorek

ISBN 978-1-897721-58-2

Welcome,

We are delighted to offer you a warm welcome to the Association's Annual Conference which this year is being hosted by the University of Graz in the small and beautiful city of its name in the Austrian region of Styria.

2015 was a big year for the Association as it was our 50<sup>th</sup> anniversary. We achieved many things – the highest ever RSA membership, more people participating in our conferences and events than ever before, more money committed for expenditure on grants and bursaries than in the past and the appointment of a new President – Professor Ron Martin (University of Cambridge) and five Vice Presidents – Dirk Ahner (former DG Regio); Professor Clelio Campolina Diniz (CEDEPLAR, Universidade Federal De Minas Gerais); Professor LU Dadao (Chinese Academy of Sciences); Professor Flavia Martinelli (University of Reggio Calabria); Ann Markusen (University of Minnesota) and Professor Allen Scott (UCLA). With our new tier of Presidential ambassadors the Association has ambitions to grow its global influence in coming years.

In 2016, the Association will continue to work with its new Divisions in China and Latin America. It will support developments in Russia to kickstart new activities there. There will be the launch at both the AAG and the IGU of the RSA's new journal Area Development and Policy which focuses on issues affecting the greater BRICS and which welcomes articles written by researchers in those territories (as well as from elsewhere) and which recognises and respects that there are different research traditions in different parts of the world.

In 2015 the Association launched two new and very popular research grants aimed at individual and fellowship members. These schemes compliment the existing Early Career Grant Scheme and the two PhD students supported by the Association. The Research Network funding continues in 2016 at the higher rate of £10,000. In 2016 we will launch a new Policy Expo grant scheme with two grants of £15,000 to address a policy facing question and to deliver an article for the RSA open access journal, Regional Studies, Regional Science and a policy relevant short form book (c. 28,000 words) which will be published in the Association's new Policy Series and will be distributed to all subscribers to our journals and all members of the Association.

We will continue to work hard in the area of knowledge exchange particularly with the European Commission through the European Week of Regions and Cities where we collaborate with other societies and with DG Regio and the Committee of the Regions in the staging of the "university" and master class and in September we will co host with the Smart Specialisation Platform a 3 day conference addressing this theme.

In a recent survey of members and non-members we were reminded that the primary benefit of membership still remains belonging to an international network and on that note we remind you to use your few days at this conference to talk to many people, to attend sessions outside your area of interest and to learn about the beautiful environment in which we find ourselves.

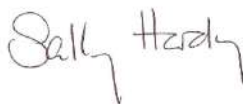
We close by thanking our colleagues in Graz – and particularly Professor Michael Steiner for his unstinting support and hard work and wish you a successful and enjoyable conference.

As ever, we remind you that any Association can only be as good as its members are active. Do continue to engage with us. Tell us what you would like to do and challenge us to offer more.

All best wishes,



Andrew Beer  
Chair



Sally Hardy  
Chief Executive

# KARL-FRANZENS-UNIVERSITÄT GRAZ UNIVERSITY OF GRAZ



## **University of Graz**

The University of Graz, which was founded in 1585 by Archduke Charles II of Inner Austria, is Austria's second oldest university and one of the largest in the country. As a comprehensive university, the University of Graz regards itself as an international institution for education and research committed to research and teaching for the benefit of society. With 32,500 students and 4,300 employees the University of Graz contributes significantly to the vibrant life of the Styrian capital. Its location in Europe encourages a lively scientific, economic and cultural exchange with South-East Europe, from which not only the city benefits, but also its educational institutions.

## **History**

Initially, the University was founded with just two faculties, those of philosophy and theology in a Jesuit college; in 1778, the faculty of law was established. After the college had been turned into a lyceum, Emperor Francis I re-established the institution as Karl-Franzens-University in 1827, to which in 1863 a faculty of medicine was added. Today's campus dates back to 1870. The flourishing scientific life was severely damaged in 1938, when numerous teachers, amongst them Nobel laureates Otto Loewi, Viktor Hess and Erwin Schrödinger, as well as some third of the students were expelled by the Nazis. From the 1960s onwards, the number of students steadily increased. After the Faculty of Medicine had become independent in 2004, a sixth faculty of Environmental and Regional Sciences and Education (URBI) was created in 2007.

## **Research**

The University of Graz focuses on seven interdisciplinary research core areas. Know-how has been bundled in a co-operation of various disciplines and universities in and beyond the Graz area in order to create conditions for internationally recognised cutting-edge research. The promotion of young scientists – among them are more than 200 doctoral beginners per year – plays an important role.

## **Studying and Teaching**

Variety and breadth characterise the range of study programmes – there are more than one hundred to choose from. In view of the Bologna system and the international mobility of students, both bachelor's and master's programmes as well as joint degree programmes ensure a well-founded education in traditional and innovative occupational fields. Special doctoral programmes create an ideal basis for an academic or scientific career.

## **International Network**

A whole range of co-operative activities, international partner institutions, mobility programmes and more than 3.000 students from all over the world testify the global network of the University, which collaborates with more than 500 partner institutions world-wide.

## **Staff**

The University of Graz is one of the region's largest and most attractive employers. Highly qualified staff who take advantage of a wide range of continuing education courses guarantee excellence in research, teaching and management. The University of Graz was nominated as "Styria's most female and family-friendly employer" as a result of their initiatives.

## **Business and Science**

Being Styria's largest university, the University of Graz is both a decisive factor and driving force within the region. The campus is an important interface between scholarship and the public. The University's aim is to strengthen and shape the Styrian location together.

SCIENTIFIC COMMITTEE	LOCAL ORGANISING COMMITTEE
Prof. Michael Steiner Prof. Jörn Kleinert Johannes Mossböck	Prof. Michael Steiner Johannes Mossböck Johanna Pfeifer Carla Apschner



## BURSARY WINNERS

### **Adrian Favero**

University of Edinburgh, United Kingdom

*City Competitiveness in Poland: Innovative Strategies and Local Governance in a Globalized World – The Case of Poznań*

### **Giusepina Cassalia**

Mediterranea University of Reggio Calabria, Italy

*Restoring the Euro-Mediterranean Bridge: Transnational Heritage as Engine of Regional Development*

### **Marta Bakucz**

University of Pécs, Hungary

*A Study on the Competitiveness Factors of Spas and Health Resorts in Hungary and Neighbouring Regions*

### **Derek Roberts**

The Copperbelt University, Zambia

*Linguistic Segregation in a Post-Colonial City*

### **Aldona Wiktorska-Swiecka**

University of Wroclaw, Poland

*Europeanisation of urban governance in Poland: dimensions, trends and challenges*

### **Judit Kalman**

Hungarian Academy of Sciences, Hungary

*Effects of EU-Funds on Territorial Cohesion - Public and Private Resources for Regional Development in the Least-Developed, Most Deprived Micro-Regions of Hungary*

### **Gergely Torok**

Babes-Bolyai University, Romania

*Traditional Industries, New Economic Models – Clustering as a Response to New Economic Conditions in the Transylvanian Regions*

### **Evgenij Pliseckij**

NRU Higher School of Economics, Russia

*Sustainable Infrastructure Development Model for Russian Cities*

### **Amjad Naveed**

University of Southern Denmark, Denmark

*The Effect of Human Capital Mobility and Knowledge Based Strategies on Small and Medium Size Cities*

### **Ausra Baranauskaite**

Lithuanian Social Research Centre, Lithuania

*The Impact of Suburbanisation on Socio-Political Differentiation of Lithuanian Metropolitan Areas*



**Prof. Iain Begg, Professorial Research Fellow at the European Institute, London School of Economics and Political Science, United Kingdom**

Iain Begg is a Professorial Research Fellow at the European Institute, London School of Economics and Political Science. He is also currently a Senior Fellow on the 'UK in a Changing Europe' initiative, funded by the British Economic and Social Research Council. His main research work is on the political economy of European integration and EU economic governance. He has directed and participated in a series of research projects on different facets of EU policy, including work on the effectiveness and future of the EU's Cohesion Policy, future employment prospects in the EU, fiscal policy coordination and reform of the EU budget. He recently served as a specialist adviser to the House of Lords European Communities Committee for an inquiry into 'Genuine Economic and Monetary Union', completed in 2014, and has held a similar role for previous inquiries into Cohesion Policy and the EU budget. He has undertaken a number of other advisory roles and is a frequent contributor to international conferences on EU economic policy issues.



**Prof. Geoffrey J.D. Hewings, Director of the Regional Economics Applications Laboratory at the University of Illinois at Urbana-Champaign, USA in Regional Economies, United States**

Dr Geoffrey J.D. Hewings is Director of the Regional Economics Applications Laboratory at the University of Illinois at Urbana-Champaign as well as an Emeritus Professor in the Departments of Geography, Economics, Agricultural and Consumer Economics, Urban and Regional Planning and Institute of Government and Public Affairs. His undergraduate degree is from University of Birmingham, England and masters and doctorate from the University of Washington, Seattle. Prior to joining the University of Illinois, he served on the faculties of the University of Kent (UK) and the University of Toronto. He has served as a visiting professor at universities in Australia, Israel, Indonesia, Japan, Korea, and China. He received awards from the Fulbright Commission, the Woodrow Wilson Foundation and was designated a University Scholar by the University of Illinois. He received a doctorate, *honoris causa*, from the University of Bourgogne. He has been elected a Fellow of the Regional Science Association International, the Western Regional Science Association and the International Input-Output Association. Professor Hewings main research areas are in the fields of urban and regional analysis, with a strong emphasis on the development and application of large-scale models. His research activities are centered in the Regional Economics Applications Laboratory (REAL), a unit he co-founded in 1989. His publications include 14 books, 76 book chapters and 187 articles in major professional journals; he has supervised over 50 doctoral dissertations.



**Dr. Andrea Mairate, Head of Competence Center "Macro-regions and European Territorial Cooperation" in the Directorate for Territorial Cooperation, Macro-regions and North-West Europe, Belgium**

Dr. Andrea Mairate was born in Tangier (Morocco) in 1957. He studied Economics in Grenoble and Paris where he got a Ph.d. After qualification, he started an academic career as lecturer and researcher in applied economics in Paris. In 1989, he worked in Rome as research director in a privately funded research centre in a variety of areas from industrial economics and telecommunications to European policies. In 1994 he joined the European Commission in the area of regional policy, held managerial posts in evaluation, economic analysis, policy coordination and audit. He is currently Head of Competence Center "Macro-regions and European Territorial Cooperation" in the Directorate for Territorial Cooperation, Macro-regions and North-West Europe. During his professional activity, he held several academic positions as associate professor in Padua (as Jean Monnet chair), Milan (Bocconi university) and currently in the Vrije Universiteit Brussel (VUB) where he teaches a master course on European Integration and Regional Development.



**Prof. Philip McCann, The University of Groningen Endowed Chair of Economic Geography, The Netherlands**

Special Adviser to Corina Crețu, the European Commissioner for Regional Policy, 2015-2016  
Special Adviser to Johannes Hahn, the European Commissioner for Regional Policy, 2010-2013.  
Chief Independent Economic Advisor, 2013-2014, EU Sixth Cohesion Report

Philip McCann holds The University of Groningen Endowed Chair of Economic Geography and is one of the most highly cited spatial economists and economic geographers of his generation. He has won academic awards for his research in several countries, and has been an invited keynote speaker in over one hundred and fifty conferences in thirty countries. He is currently

Co-Editor of Spatial Economic Analysis and Review of Urban and Regional Development Studies, and Editor of the Edward Elgar Book Series New Horizons in Regional Science. As well as the European Commission, Philip also advises various directorates within the OECD, the European Investment Bank, and various government departments and commissions in several countries.



**Prof. Jenny Phillimore, Director of the Institute for Research into Superdiversity (IRiS), University of Birmingham, United Kingdom**

Jenny Phillimore is Professor of Migration and Superdiversity and the inaugural Director of the Institute for Research into Superdiversity in the College of Social Sciences, the University of Birmingham. She has lead many major projects looking at migrant integration and settlement and superdiversity and welfare delivery focusing on refugee integration, and migrants' access to health and housing. She headed the Making a Difference Joseph Rowntree Foundation project, which explored the ways in which RCOs used evidence to influence policy. Jenny has acted as an adviser for local, regional, national and European

Government on new migration, integration, employability and housing. Jenny currently leads the Norface/ESRC funded Understanding Welfare Bricolage in Superdiverse Neighbourhoods (UPWEB) project which examines access to healthcare in four European countries with different welfare and immigration regimes. Her work is published in a wide range of journals including Social Sciences and Medicine, Journal of Social Policy, BMC International Health and Human Rights, Urban Studies, Community Development, Sociology, Critical Social Policy and Journal of Ethnic and Migration Studies. Recent books include New Migrants in the UK, Community Research for Community Participation and Migration and Social Policy (2016) with texts in preparation entitled Delivering welfare in an era of superdiversity, Race, Class and Conflict: fifty years on, Getting below the radar: understanding community groups and activities in the UK, and Negotiating Superdiversity: From the micro-level to the nation state. Jenny is a Fellow of the Royal Society of Arts and of the Academy of Social Sciences.



**Dr. Martin Kahanec, Associate Professor at the Central European University in Budapest, Hungary**

Associate Professor at the Central European University in Budapest. Visiting Research Fellow, Deputy Program Director "Migration", the leader of the research sub-area EU Enlargement and the Labor Markets and former Deputy Director of Research (2009) at the Institute for the Study of Labor (IZA) in Bonn, Germany. Co-Founder and Scientific Director of CELSI, Bratislava. Visiting Research Fellow at Harvard University's Labor and Worklife Program. Research affiliate at the Faculty of National Economy, University of Economics in Bratislava. Member of several professional associations and a founding member, vice-President, and Fellow of the Slovak Economic Association. Kahanec's main research interests are labor and population economics, ethnicity, migration, and reforms in Central Eastern European labor markets. He has published in peer-reviewed academic journals, contributed chapters in collected volumes including the Oxford Handbook of Economic Inequality (OxfordUP) and the International Handbook on the Economics of Migration (Edward Elgar), and he has edited several scientific book volumes and journal special issues. He is the Managing Editor of the IZA Journal of European Labor Studies and Associate Editor of the International Journal of Manpower. Martin Kahanec has held several advisory positions and leading roles in a number of scientific and policy projects with the World Bank, the European Commission, European Parliament, and other international and national institutions.



**Dr. Erka Çaro, University of Jyväskylä, Finland  
Early Career Plenary Speaker**

Dr. Erka Çaro is a researcher and lecturer at the Department of Social Sciences and Philosophy, University of Jyväskylä, Finland and University of Tirana, Albania. She received her Master Degree and PhD in Population Studies from the University of Groningen in the Netherlands in 2006 and 2011 respectively. Since then until 2013 she worked as a post-doc on the ERC grant project "Transnational Work and the Evolution of Sovereignty". She is now the Principal Investigator and coordinator of the Regional Research Promotion Program funded project 'Industrial Citizenship and Labor Migration from Western Balkan, Cases of Albania and Kosovo migration to Germany, Switzerland and Greece', and is currently also engaged with the Academy of Finland funded project "Industrial Citizenship and Labour Mobility in the EU: a Migrant Centered Study of Estonia-Finland and Albania-Italy Labour Mobility", coordinating the Albania – Italy case. She has a strong publication record for an early career researcher, with sole-authored articles in Journal of Ethnic and Migration Studies and Regional Insights, co-authored article in Gender, Place and Culture, Population Place and Space, Journal of Ethnic and Migration Studies. Her research interests include areas such as migration, demography, trade union relationships with migrants, labor mobility, labor and migration politics, gender studies, human and political geography, Western Balkans, Southern Europe.



**Prof. Ewald Engelen, University of Amsterdam, The Netherlands**

Ewald Engelen was trained as a social and political philosopher. He received his PhD from the University of Amsterdam in 2000 on a thesis about democratic corporate governance. Since then he has held a number of fixed term research positions, both at the University of Amsterdam and elsewhere. In 2005 he received a prestigious grant to investigate the fate of the Amsterdam International Financial Center in a rapidly changing landscape of digitalizing and internationalizing finance. In 2009 he was appointed as Professor of Financial Geography at the Department of Human and Behavioral Sciences at the University of Amsterdam. Engelen's main research interests are in comparative institutionalism, comparative capitalism, europeanization, financialization before and after the crisis, post-democracy, elite politics and elite story telling. In 2010 Engelen joined a Manchester-based academic collective, which authored the much-acclaimed *After the Great Complacency* that covered the Great Financial and the timid political response in the EU, the UK and the US. Engelen doubles as a public critic of financialization, neoliberalism and the European crisis response.



**Dr. Wolfgang Schüssel, Former Federal Chancellor of Austria (2000 -2007), Austria**

Wolfgang Schüssel was born in Vienna in 1945 and received his doctorate in law from Vienna University in 1968. Between 2000 and 2007 Mr Schüssel served as Federal Chancellor of Austria, chairing the European Council during Austria's EU Presidency in the first half of 2006. His term in office saw the introduction of the Euro, a comprehensive reform of Austria's pension system, the consolidation of the country's budget, the privatization of nationalized industries, as well as restitution payments to the victims of National Socialism. From 1995 to 2007 Mr Schüssel was National Chairman of the Austrian People's Party. From 1989 to 1995 he served as Minister of Economic Affairs, and from 1995 to 1999 as Vice Chancellor and Federal Minister for Foreign Affairs. Mr Schüssel played a key role in Austria's accession to the European Union and during the country's first Presidency of the EU Council. Since 2008 Wolfgang Schüssel has been an active President of the Foreign Policy and United Nations Association. He serves on the Board of Trustees of the Bertelsmann Foundation and on the Supervisory Board of RWE AG. Mr Schüssel is a member of the Scientific Committee of The European House Ambrosetti and of the Board of Trustees of the Allensbach Institute, President of United Europe and, since October 2015, Chairman of the Board of Trustees of the Konrad Adenauer Foundation. Wolfgang Schüssel is a renowned speaker on the subjects of Europe and European integration, international energy policy and economic development, as well as transatlantic relations and relations between Europe and Russia.



**Mag. Hubert Patterer, Kleine Zeitung  
The after Gala Dinner Speech**

Mag. Hubert Patterer was born in Villach, Austria, on June 2nd, 1962. He started working for the newspaper *Kleine Zeitung* Klagenfurt one year before completing his studies of German studies, anglistics, and Philosophy in 1985 at the University of Klagenfurt. In 1997, he was named vice editor in chief of *Kleine Zeitung* Klagenfurt and attained the same position in Graz in 2000. On April 1st of 2006 he was appointed Editor in Chief of the *Kleine Zeitung*, the largest regional newspaper of Austria, which is also the daily newspaper with the second widest-circulation in the country. In 2012, he received the title of "Editor in Chief of the Year" of Austria.



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## PLENARY ABSTRACTS

### WHAT CAN REGIONAL STUDIES TELL US ABOUT WHY WE HAVE AN EU COHESION POLICY, AND DOES IT MAKE SENSE?

**Iain Begg, London School of Economics, UNITED KINGDOM**

Although the EU treaty clearly states that the purpose of Cohesion Policy is to reduce regional disparities (Art 174, TFEU), in practice the policy has a much more diffuse rationale and, at an operational level, has had to contend with changing ideas on the underlying economics of regional policy intervention. The aim of the presentation is twofold. First, it will explore whether there is a coherent theoretical framework for Cohesion Policy and what its principal features are today. It will argue that several economic approaches have a bearing on the policy, including fiscal federalism and endogenous growth, as well as more conventional resort to subsidies to public investment to counter market failure, but that these theoretical underpinnings are rarely made explicit. Second, the presentation will ask whether, in the light of recent evaluation findings, EU Cohesion Policy is achieving results consistent with the differing goals ascribed to it. In particular, the description of the policy as the investment instrument of the EU, aimed at delivering the goals of the Europe 2020 strategy, implies a much broader set of goals than the regional convergence one in the treaty. The intriguing question this raises for research in regional studies is whether it is realistic to expect a spatially targeted policy to be effective in achieving such wider objectives.

### CHALLENGES OF THE NEW MIGRATION IN WESTERN BALKANS

**Erka Caro, University of Jyväskylä, FINLAND**

The migration issue has become one of the greatest worldwide challenges, for Europe in particular. Following the global economic crisis and the conflict in Syria but also in Africa and Asia, there are developing new migration trends and challenges that Europe has to approach and address. Nowadays the most important migration pathways are those of non-EU migration such as asylum, irregular, seasonal and temporary. Circular and return migration are marginal and needs policy and legal options and frameworks to address and manage; there is a proliferation of developing (traditionally sending) countries emerging as destination and transition countries for increasing flows of migrants. These emerging issues do challenge the existent state of affairs regarding migration policy and research and calls for new conceptual and policy changes in the migration studies and migration policies in Europe.

While Western European countries have a long history of immigration and a developed legislation and infrastructure, other countries through which these migrants transit, or even settle in, are being transformed from countries of out-migration into immigrant-receiving countries. Western Balkan countries are among those trying to manage large waves of migrants and their varied needs even though missing the adequate institution and policy framework not to mention their own economic, social and political constrains. With a recent history of persistent out-migration and due to their economic problems, these countries are particularly affected by migrant waves.

Most of the media, political and academic attention is put on what is happening in the EU countries with regards to migration. However, the figures show that the recent migration flows are located in developing countries which carry the burden of providing for a high number of migrants. Rarely, research has investigated immigration into this region. There is a need to acknowledge the importance of migration trajectories and aim to build capacity in regions that lacks immigration legislation and infrastructure. We look at these countries, specifically Western Balkans, from the perspective of sending country but also as transitioning and destination countries. Migrant incorporation into national labour regimes, precarious posted work and low paid jobs in the developing country context needs specific attention.

Based on two research projects (funded by the Academy of Finland and the RRPP), on the hypermobility of labour, we rely on more than 150 depth interviews of labour migrants and over 120 expert interviews on this topic.

## **LINKAGES AND STRUCTURAL TRANSFORMATION IN REGIONAL ECONOMIES**

**Geoffrey Hewings, The University of Illinois, UNITED STATES**

As policy makers continue to search for the optimal mix of policies to engender growth and development in their regional economies, the changing nature and strength of linkages plays a key role in understanding the dynamics. In this presentation, attention will be focused on issues of fragmentation, hollowing out, the presence of both competitive and complementary linkages and the nature and strength of spatial spillover effects. In addition to economic linkages, attention will also be directed to the importance of demographic linkages especially the dynamics of those within and retired from the labor force. The empirical evidence is drawn from analysis in the US, Indonesia, Brazil and Spain.

## **THE MYTHS AND REALITIES OF THE EUROPEAN MIGRATION CHALLENGE**

**Martin Kahanec, Central European University, HUNGARY**

Do immigrants steal jobs from the natives, lower their wages, or abuse the welfare system in receiving countries? Existing evidence refutes these myths and rather indicates neutral or positive effects of immigration on receiving countries' economies. I argue that Europe needs immigrants, particularly those with skills demanded in EU labor markets; and that we need more, and not less mobility, in these times of economic turmoil.

The recent migration crisis in Europe offers the potential for a triple win: (i) provide humanitarian help to refugees; (ii) revamp our migration, asylum, and integration policies; and (iii) benefit from the new hands and brains that can boost our labor markets. The alternative is a triple loss.

Based on existing evidence, I argue that Europe needs immigrants, particularly those with skills demanded in EU labor markets; and that we need more, and not less mobility, in these times of economic turmoil.

## **REFUGEE INTEGRATION IN TIMES OF CRISIS**

**Jenny Phillimore, University Of Birmingham, UNITED KINGDOM**

The arrival of over 1 million refugees in Europe in 2015 has been described as a crisis by politicians, the media and policymakers. Responses to the crisis have been largely reactive with focus upon short-term goals such as reducing numbers and redistribution. Discourse about the challenges and opportunities represented by the arrival of refugees range from concerns about the loss of Europe's cultural identity and risks to security through to refugees being viewed as a labour force that will aid economic growth threatened by aging societies. The extent to which opportunities can be realised depends upon the nature of integration policy and practice across Europe. Yet at the current time the EU does not have a common integration policy and many countries lack an integration programme. In this paper I argue co-ordinated and intensive approaches to integration adopting a two-way approach are key to turning the crisis into an opportunity and that integration must begin at the moment of arrival to Europe.

**THE ROLE OF FINANCIAL INSTITUTIONS AND NEW FIRM FORMATION FOR REGIONAL PATH DEPENDENCY****Jarle Aarstad, Bergen University College, NORWAY****Martin Gjelsvik, International Research Institute of Stavanger, NORWAY**

This paper addresses an issue absent in most studies on regional economic development, the role of financial institutions. The study concentrates on the role of financial institutions for path dependent regional development in the southwestern region of Norway. This region has over the past forty years become more and more dominated by the oil and gas sector. Over this period we have observed a strongly path dependent regional economic development dominated by continuation and path extension. With the recent major drop in the price of oil and stronger environmental concerns, a regional growth strategy dominated by and addicted to the petroleum sector, is risky indeed. Hence, the issue is whether the region may develop alternative trajectories through new firm formation in related and unrelated industries. The issue here is how financial institutions may accommodate such regional renewal.

Financial institutions are obviously a vital element in the regional innovation ecology. However, they are mostly absent in accounts of regional innovation systems. When financial institutions are indeed dealt with, the focus is often confined to the spatial distribution role of venture capital (Sorensen and Stuart 2001; Martin, Sunley et al. 2002; Martin, Berndt et al. 2005), presumably because venture capital fosters change and new trajectories. Recently, another strand of research in economic geography has surfaced to study the geography of finance in itself (Dixon 2015), but without explicit links it to regional development. This paper addresses this gap by discussing the role of banks and venture capital.

Our basic hypothesis is that the main contribution of financial institutions concerns path extension of already established industries. Path dependency will be measured by studying to which extent new firm formation represents a reproduction of the existing industry structure.. Growth in well-established firms will most likely lead to path extension, firms have a tendency to do more of what they already are good at through incremental innovations. New path trajectories may most likely come about as the result of new firm formation. If nascent firms too are mainly established within existing industries, the regional path dependency is very strong. On the other hand, new firm formation is expected to have a greater potential for path diversification or new path creation. Consequently, the alternative hypothesis suggests that new firm formation accommodates regional path renewal.

The study is based on data from Statistics Norway and Dun & Bradstreet, complemented with interviews of managers in the financial sector. The interviews offer an opportunity to better interpret and understand the quantitative data, and appreciate the influence of contextual factors both in time and space. The quantitative data set includes the period 1992-2012 and reveals the composition for industries in the region. A relatively stable composition, where new firms formation mainly reproduce existing industry structure, indicates a strong path dependency in the form of regional path extension. The twenty-year period is divided into relevant time intervals, based on potential tipping points for path development in the region. (Gladwell 2006). In 1992 the financial sector and the construction industry had been in a deep recession since 1989; in 1999 the oil price dipped to US \$10 a barrel, and the global financial crisis appeared in 2007-08. We hypothesize that these tipping points will be characterised by a high degree of new firm formation in industries that are new to the region or in industries with a less prominent position contributing towards a renewal of the regional industry mix. Typically, these periods are characterized by higher unemployment, which usually triggers innovation and renewal, resulting in new path trajectories to substitute for the loss of jobs and growth opportunities in the prevailing industries.

**Victor Abreu Cabral, Amsterdam University of Applied Sciences, THE NETHERLANDS**

**Willem van Winden, Amsterdam University of Applied Sciences, THE NETHERLANDS**

This paper analyses how managed co-working spaces affect the innovation process of their tenants. Managed coworking spaces are working environments for independent professionals, with an active role of the manager of the space to foster collaboration and interaction. These locations emerged in the late 2000s and were designed to host people who endeavor to break isolation and to find a convivial environment that favours meetings and collaboration (Moriset, 2014).

It is often taken for granted that coworking contributes to innovation (Botsman & Rogers, 2011). Earlier research discussed outcomes of coworking, such as cooperative working (e.g. Leforestier, 2009, Spinuzzi, 2013), getting access to new knowledge (van Winden & Carvalho, 2012), or having new business opportunities (Groot, 2013). Yet, it is not fully understood how coworking spaces can be effective in fostering these outcomes, and what role management could play.

The managers of coworking spaces deploy a variety of strategies to foster social interaction and collaboration (Carvalho, 2013; van Winden et al., 2013), but there has been very little systematic analysis of the effects on social interaction, collaboration and innovation of the tenants. This paper proposes a typology of synergy tools applied by coworking spaces, and aims to shed light on the effectiveness for social interaction and innovation. In the empirical part, we describe and analyze three coworking spaces in Amsterdam. The implications for proprietors of coworking spaces, policy makers, city-planners are analyzed in view of the potential contributions of these spaces to local collaborations, knowledge transfer and new business opportunities.

**Hisham Abusaada, Housing and Building Research Centre-HBRC, EGYPT**

**Abeer Elshater, Ain Shams University, EGYPT**

Ultimately, Bloch's philosophy about hope revolves around existing things in our life that are unknown to man and have not appeared yet. On a different scene, there are other ideals, desirable traits, and already-existing things in our lives, but they have not become a reality yet. Bloch's concept of hope covers two issues: 'Non-existent hopefully' and 'the existence that has not been achieved yet.' It is 'the existing hope' and 'the existence that has not been reached yet'; these can be used to understand Bloch's concept of hope. This state of thinking is about the issue that has not happened yet. However, the matter of Not-Yet with regards to Bloch's concept lets the objects have big possibilities to be attached. In other words, the hope can possibly become real, and Not-Yet can be achieved in an equal concept to the utopia covered by the feeling of hope. This way of thinking switches the idea of perfect places from verbal actions towards an intellectual situation that represents the motivation of changes to a better status quo. The dream of a perfect place will be incessant hope. Bloch's ideas are based on the emotional stowage when the human remains in the unconscious of internal permanent towards the conscious/real case where the innovation and creation could take place and make the Not-Yet become a reality. For example, if we would like to deal with a particular group of ordinary people in poor places with their different dreams of better life, they would draw an imaginary vision of the future and a simple action plan achieve it. The cinema, television, and novels play a significant role in such people's not-yet vision, which in some cases creates a profound belief in impossibility. On the opposite side, well-educated individuals or those who have the foresight would put together a better aesthetic vision in a creative way or imagine an attacking scene when they could not reach their goals.

## **KNOWLEDGE AND TECHNOLOGY TRANSFER IN AN R&D INTENSIVE REGION: TEAMWORK IN PRACTICE**

**Christoph Adametz, Technische Universität Graz, AUSTRIA**

For more than a decade Research & Technology House of Graz University of Technology (TU Graz) in its integrated role as Industrial Liaison Office, Technology Transfer Office, Research Office and academic Career Centre has been promoting different ways of knowledge and technology transfer between researchers and Styrian SMEs as well as large enterprises. The success of these efforts has been based (1) on providing a portfolio of services and cooperation formats which take into account the different absorptive capacity of businesses and (2) on integrating the expertise of other regional research institutions.

SCIENCE FIT (“Making Styrian SMES Fit For Science”) is a regional outreach programme provided by a team from three regional universities and an RTO. The team gets in touch with SMEs, questions and prioritizes innovation needs, identifies experts (typically researchers, who then often involve students), presents perfect-fit public funding opportunities and where applicable supports initiated projects in the pre-award phase. The team has agreed to act in an „honest broker“ fashion not trying to maximize profit for the home institution but for the SME involved. In the course of the programme every year 60-80 SMEs have been assisted leading to 20-25-additional projects. Annual Recruiting Fairs called „Meet Hidden Champions“ have given SMEs including start-ups access to students and graduates of Styrian universities. The SCIENCE FIT programme has been continuously funded by regional public bodies (City of Graz, State of Styria and Styrian Chamber of Commerce). It has been recognized as Good Practice by DG Regio and DG Education and Culture. Pilot projects based on SCIENCE FIT experience have been started in other Austrian provinces.

Apart from this activities for SMEs Research & Technology House has established a range of services for regional businesses so they can connect with the talent and technology assets of Graz University of Technology - Research Expertise, Students, Inventions (Technology Transfer and Commercialization) and Corporate Philanthropy. In times of declining state budgets TU Graz has outperformed all other Austrian universities in attracting third party funds, calculated per researcher. On top of that new formats for Corporate Philanthropy have been implemented in recent years, i.e. a Club of almost 40 Corporate Donators (Forum Technology and Society) and 10 Endowed Chairs for Businesses.

Some lessons learned in regional knowledge and technology transfer will be presented, concerning the regional market for different ways of knowledge and technology transfer including patenting and spin-offs, differences and similarities between SMEs and large enterprises, and the role of the regional, national and European funding framework. Furthermore a few illustrative case studies of long-term partnerships with regional businesses will be given.

## **THE GAP BETWEEN PLANNING THEORY AND PLANNING PRACTICE**

**Marcus Adolphson, Department of Urban Planning and Environment, SWEDEN**  
**Daniel Jonsson, Transport Planning, Economics and Engineering (TEE), SWEDEN**

In Sweden the National Transport Agency introduced a new planning instrument in 2008 named Regional System Analysis (RSA). The aim was to improve the focus and goal accomplishment in transport planning. This research project investigated the insufficient goal achievement of the RSAs. Three regions were selected as case studies. Methods used were text studies of planning documents and interviews. The intermediated result was that knowledge based on planning theories - positivist and post-positivist - were not useful resources in order to understand the (transport) planning procedures and the produced (transport) plans Based on this finding the research focused on the gap between planning theory and planning practice. An overview of recent research in this field was performed. Our conclusion differs from previous finding in a number of aspects. Three gaps explaining the planning theory – planning practice gaps were distinguished: the sociological gap, the political

gap and the philosophical gap. The main conclusion is that planning theory should learn from planning practice and further from other academic disciplines. In order to understand and learn from planning practice there is 1) a need of understanding the planner in his/her social context (the sociological gap). In the planning process some knowledge matters and others do not. Here Bourdieus theories on position taking and capitals were of explanatory value. 2) There is a need of understanding the valuation of infrastructure and regional development (the political gap). Decisions are not solely based on objective facts. Decisions are politics. Pluralism and Davidoffs advocacy planning theory with an explicit political agenda seems useful in order to understand the tradeoff between various planning alternatives. Further on, planning theories are either positivistic or post-positivistic (the philosophical gap). There is a need of a theoretical framework managing both facts and interpretation. Critical realism provides a useful philosophical framework in these matters.

*Local and Regional Economic Development and Planning*

## **CURRENT CHALLENGES FOR THE RESIDENTIAL PROPERTY SECTOR IN THE REPUBLIC OF IRELAND**

**Joanne Ahern, Gran Sasso Science Institute, ITALY**

The Republic of Ireland has undergone a series of transformations since the 1980s, starting with the rise of the Celtic Tiger, which was followed by the formation of a construction and property bubble. The later collapse of this bubble combined with the arrival of the financial crisis partially led to the current rise of Austerity Policies. The effect of these rapid transformations can be clearly seen in the resulting built environment. Both the Unfinished housing developments and the Ghost Estates resulting partially from the collapse of the construction industry in 2008/2009 are still visible in many counties in the Republic of Ireland. Vacant Property is recorded in many peripheral areas combined with a shortage in the main urban areas has led to a problem in supply. Rising social housing waiting lists are putting further pressure on the housing system. Much of the land zoned for development is now also possibly surplus to demand and in inappropriate areas for development. In addition, the Irish Government is now one of the largest landowners in the state with the establishment of the National Asset Management Agency following the bank bailout.

It is clear that a number of challenges have arisen, some home grown while others are a result of Irelands exposure to external influences. This paper outlines the formation of the planning system in Ireland. It describes the key characteristics of the spatial planning system in Ireland as well as some key changes in recent years. In light of the serious challenges facing the Republic of Ireland at present, it is a key moment in which to examine just how this situation arose and what vulnerabilities were visible in the planning system before these arrived. Recently Irish planning celebrated its fiftieth anniversary, beginning with the introduction of planning through the Town and Country Planning Act of 1964, (while there were a number of policies and acts before this the Act of 1964 can be argued to be the first of the current system). As such it is a key moment to examine the legacy of the last 50 years of planning in relation to residential development. While planning cannot solve all of these problems alone it will play a key role. This paper hopes to offer, through an analysis and understanding of the system up to this point an explanation of where many of the issues have come from and will briefly touch on the current policies which are being used to challenge and resolve them.

*Spa Tourism/Music Tourism/Sports Tourism/Film Tourism*

## **ON THE SCALE AND TIMING OF ECONOMIC IMPACTS ON SCOTLAND OF THE GLASGOW 2014 COMMONWEALTH GAMES: QUANTIFYING PRE- AND POST-EVENT ECONOMIC LEGACIES FROM SPORTING EVENTS**

**Grant Allan, University of Strathclyde, UNITED KINGDOM**

**Patrizio Lecca, UNITED KINGDOM**

**Kim Swales, University of Strathclyde, UNITED KINGDOM**

The economic consequences from hosting major sporting events are important for regions, given both the political and financial resources invested in such events, and the alignment of sports tourism and sporting events



with regional economic development strategies. The recent Glasgow 2014 Commonwealth Games (CWG), for example, saw public bodies in Scotland contribute over \$400m to the total event costs, including infrastructure and hosting costs (\$131m and \$274m, respectively), and attracted an estimated 600,000 visitors to Glasgow. Among the anticipated economic changes produced by hosting a mega-event are both short-term consequences during the period of the event, as well as an economic "legacy" for the host area. This raises questions of the timing of economic impacts from hosting a mega-event. Economic impact studies of mega-events, often apply multi-sectoral modelling techniques, with Input-Output (IO) analysis the most widely used.

These models use a generally accepted methodology and can provide useful quantitative measures of impact. The Scottish Government (2015) IO analysis of the CWG examined the disturbances "directly initiated" by the event (Preuss, 2015) - including infrastructure, hosting, and tourism expenditures, and use IO methods to estimate the economic impact of "The Games". As typically implemented however, there are a number of limitations of the IO approach, which have been acknowledged in the recent literature. In addition to these, such IO analysis models do not interact well with academic definitions of "legacy" from mega-events, where it has been acknowledged that the concept of "legacy" has no generally accepted definition, and as such is open to misinterpretation, and potential misrepresentation of the "economic legacies" that an event produces (e.g. Preuss, 2015).

This paper uses the case study of the Glasgow 2014 Commonwealth Games to explore the economic changes associated with an event and the link between these and the economic consequences that an event may produce. Examining the expenditures directly initiated by the event, and the counterfactuals of each, we estimate the economic impact of these events in a Computable General Equilibrium (CGE) model of Scotland. This provides a quantitative estimate of the economic scale of the impacts related to "The Games". We pay particular attention to the time dimension of the economic impacts, and explore the relationship between these and concepts of legacy. We argue that appropriately specified CGE models can capture the time dimension of economic impacts, and so a critical aspect of economic legacy. We describe the features that could characterise such models and in doing so, we attempt to bridge the epistemological gap between notions of impact and legacy.

*Special Session: The Emerging City of Milan*

## **THE GOVERNANCE OF URBAN COMMONS: THREE CASE STUDIES FROM MILAN**

**Edoardo Altavilla, Gran Sasso Science Institute, ITALY**  
**Cora Fontana, Gran Sasso Science Institute, ITALY**  
**Valentina Gingardi, Gran Sasso Science Institute, ITALY**

The city of Milan is displaying profound evolution in a number of areas, from spatial development strategies to large project-based regeneration schemes. Moreover, no other Italian city currently holds equal importance for national political economy.

Nonetheless, one crucial part of this acknowledged urban avant-garde is often neglected or forgotten: namely, the changing role of public management of urban common spaces. As state management capacity progressively hollows out, new forms of government emerge for urban commons and resources regardless of the size or the scale (the management of a condominium or the problem of global warming could be equally considered – and in fact they are – a collective action issue).

There is, however, some kind of contradiction between two trends: the growing attention that local public administrations (mostly cities) are paying to new types of collaboration with their own citizens in order to manage common goods on the one hand, and the lack of a sound theoretical reflection on key methodological issues on the other. Indeed, the distribution of costs and benefits of collective action, or even the incentives used to make the governance system effective, durable and just are crucial for the stability of these new forms of subsidiarisation.

Moving from the traditional conceptualisation of the “tragedy” of the common goods as a free-rider problem, this contribution has at a two-fold aim: firstly, it points at describing concrete experiences of common property management in Milan in a variety of settings (new developments as well as consolidated urban fabrics); and secondly, drawing upon these experiences, it tries to define to what extent the famous quote «everybody’s property is nobody’s property» can be challenged in the light of urban contemporary practices. The paper will firstly discuss the most known theories regarding common property logics – particularly from opposite approaches – and ultimately it seeks to understand the degree of resemblance of the above theories in selected Milan’s experiences.

The cases considered for this paper are three condominium gardens of different sizes and located in different areas of the city.

Although more and more frequent examples of failed public management seem to prove the thesis of Mancur Olson about the indirect proportion that links successful management to the size of collectiveness, these cases explore the possibility to explain what is happening in Milan with different theoretical paradigms.

*Austerity (Risk and Resilience)*

## **THE ROLE OF THE WELFARE STATE AND HOUSING POLICIES AS A MEDIUM AND OUTCOME OF RISING INEQUALITIES IN THE CITIES**

**Sónia Alves, PORTUGAL**

**Hans Thor Andersen, Aalborg University in Copenhagen, DENMARK**

In recent decades economic, social, and political changes have aggravated social inequalities in most European countries, accelerating differences in living conditions between social groups and neighbourhoods alike.

In this context, far from being seen as fixed entities, measured only by their functional and morphological qualities, residential districts have come to be seen as an expression of socio-economic and symbolic differences and inequalities. From this perspective, the relative position of social groups in the occupational class structure and in the spatial structure become a privileged field of empirical inquiry for scientists concerned with inequalities in all their multidimensional forms.

The aim of this paper is to draw up the lines between social and spatial inequalities in cities through discussion of the role of housing policies and housing markets as an outcome or means for the rising of inequalities in the city.

In order to capture the complex chain of factors that influence the social geography of cities and their patterns and trends of inequality, this paper seeks to engage with key thinkers such as Pierre Bourdieu, Gosta Esping-Andersen, and Jim Kemeny.

In doing so, we raise several research questions concerning the role of the welfare state as a causal mechanism of social and spatial stratification. Hence what are the main differences between typologies of welfare and housing regimes regarding economic and social inequality? To what extent do they variously project socio-economic inequality across the residential space? In other words, how are struggles over space regulated by urban policies that adhere to different worlds of welfare and housing regimes?

**DESCRIBING AND TREATING MARGINALITY IN THE ITALIAN PERIPHERIES. SOME ADVICE FROM A UK CASE-STUDY**

**Irene Amadio, Sapienza University of Rome, ITALY**

**Daniela De Leo, Sapienza University of Rome, ITALY**

Based on an on-going research about the limits of 'urban core/suburb' dual scheme to explain the current spatial dynamics in Italy, the paper aims at developing a different interpretative hypothesis based on 'centrality & marginality'.

By analysing the multi-dimensional and dynamic nature of marginality in the Italian territory, the paper:

- Underlines the inadequacy of urban policies and practices developed for the areas 'at the margins' in the last twenty years;
- Learns from the lessons coming from the international comparisons.

As is known, the recent history of the urban regeneration initiatives that address the Italian peripheries is not famous for its successes. Above all, what it seems to be concealed is why the identification of the "minimum essential services", which turned attention to the welfare system (than inserted in the 'National Strategy for Inner Areas') was not ever transformed in targeted policies. In Italy, of course, the interventions on the physical environment are more common than the area-wide outcomes, in terms of requalification, welfare and services, which are widespread in the main North-European policies. So, in a situation characterized by a general inadequacy of the tools targeted to the marginal areas (in the peripheries of the big cities and metropolitan cities as much as in the so called 'Inner Areas') providing an alternative set of dedicated tools and approaches may be necessary to face the renewed issues to be dealt with.

Therefore, with the purpose of understanding how some international experiences may be helpful to better intervene in the Italian fringe areas, the paper presents and discusses the lessons learnt from the British context. In fact, after the 'Localism Act' (approved by the Coalition government in 2011), a significant shift in planning policies occurred. The 'localist' approach proposes initiatives to promote local economic growth and new freedoms and flexibilities for sub-regional authorities in order to launch regeneration processes. NDPs-Neighbourhood Development Plans are part of this scenario in which a planning system based on the 'community-led' regeneration is able to design the interventions in relation to the specific needs of each community.

According to some critical observers, in the current political agenda there is a lack of emphasis on the marginalization problems facing deprived areas, in terms of area-based policies that were the flagship tool under New Labour. Indeed, the Cameron's government prefers to operate at the individual level (people-based policies). In particular, Bristol City Council offers one valuable example in promoting new tools in the areas with the highest level of deprivation (based on 2010 IMD-Index of Multiple Deprivation) by integrating them in a wider and coordinate regeneration strategy.

Even if, it seems that NDPs are not completely adequate to solve the deprivation problems experienced by many areas in UK, it is also possible to recognise some potentialities that could be addressed in the most deprived neighbourhoods, both in Italy and in the rest of Europe.

**SUSTAINABLE HOUSING 2.0? THE ROLE OF POLICY NETWORKS AND ECO INNOVATIONS IN THE WOOD BASED HOUSING SECTOR IN SWEDEN**

**Ida Andersson, Stockholm University, SWEDEN**

This paper aims to investigate how policy networks and eco innovations have impacted sustainable housing policies and the development of the wood based housing sector in Sweden. In this paper, theory on innovation

and green economy are brought into dialogue with literature on urban policy mobilities in order to research and understand the interactive processes between policy networks and eco innovation, and how these in turn have affected sustainable housing policies. The paper has a particular emphasis on the corporate sphere (the Swedish wood industry and housing industry) and the policy-making sphere on various geographical scales (national, regional, local), investigating the networks and linkages that create public-private collaborations.

With increasing urbanization and a massive growth in the demand for accommodation, housing has become a primary object for the development of sustainable cities all over Europe. In Sweden, the national government launched a new national strategy for the development of sustainable housing in 2005, namely the construction of multi-storey dwellings built in wood. Following a shift in building regulations from 1994 that cancelled a 120 year old law stipulating that no houses over two stories were to be built in wood, and intensive lobby work from national industry associations and local governments, this national wood construction policy targeting sustainable development was developed.

The policy program promotes the use of wood and timber in multi-storey housing as a raw material for construction, arguing that it was more environmentally friendly than concrete and steel. Following this initial national policy from 2005, additional programs have been launched; repeating this political emphasis on wood based housing production, as mean for sustainable urban development. As a consequence, the production of wood based housing has increased, from 2001 when merely 1% of the multi-storey houses in Sweden were built from wood, to 15% of such constructions in 2011.

The paper presents a multiple case study, focusing on regional public private collaborations and wood construction policy programs in three counties in Sweden; Norrbotten, Västerbotten, and Kronoberg. It addresses the following issues:

- How have the political discourses on sustainable urban development and sustainable housing been influenced by the national and regional wood and timber construction policies in Sweden?
- How does collaboration between regional and local governments, the wood based housing sector and research institutions take place, and what role does the national and regional wood and timber construction policies for the projects that are implemented in the case study regions?
- How are technical innovations and product development generated and spread through these public private policy networks?
- What role does technical visits and on-site learning play for the professional learning in and between different wood housing networks and what effect does technical visits have for the innovation process?

#### *Urban and Regional Sustainability*

### **AFTERTHOUGHTS: CAPTURING IMAGINARIES IN A CITY SUCH AS AMSTERDAM**

**Núria Arbonés Aran, Amsterdam University of Applied Sciences, THE NETHERLANDS**

This paper wants to contribute to operationalize insights into student identities, urban images and city/educational marketing and management communication. Instead of harping on the discourse of managing and increasing the positive image of Amsterdam, this paper, and the thesis it preceded, aims to give insight into a more realistic and first-hand way of capturing current images of Amsterdam as shared by cohorts of young adults. Accordingly, its primary sources consist of a compilation of heterogeneous, existing ('real-life') material, produced by young adults as a part of their cultural communication rather than being especially generated for this research. The selection of cohorts also partly dictated the choice of medium through which to document their self-image, the image of the city and of their self-positioning in it.

The paper pursues this aim by fusing two methodologies: that of imagology (the discourse-analytical and historical study of the representation of cultural characters and stereotypes) and that of tribal marketing (the study of consumption and its linking value as part of social life). This combined methodology allows us to advance beyond a traditional understanding of – including the established way of marketing – the city's character, allure and cosmopolitan appeal, particularly with respect to visiting students from abroad.

The images and attitudes captured from the primary data reveal that the imaginary city map of Amsterdam is by no means a mere melting pot or emporium, but has some well-delimited boundaries in terms of who belongs where. Eventually, and on the basis of the findings, this paper provides insights into how to develop a more sustainable and substantiated positioning of Amsterdam and its educational institutions as the hospitable and tolerant city, in which young adults can actually have the possibility of becoming a better version of themselves.

*Urban and Regional Sustainability*

## **ADMINISTRATIVE CAPACITY AND THE IMPLEMENTATION OF EU COHESION POLICY: EVIDENCE FROM ITALY AND POLAND**

**John Bachtler, University of Strathclyde, UNITED KINGDOM**  
**Carlos Mendez, University of Strathclyde, UNITED KINGDOM**  
**Alba Smeriglio, University of Strathclyde, UNITED KINGDOM**  
**Karol Olejniczak, University of Warsaw, UNITED KINGDOM**

Research and policy evaluation over the past decade has concluded that the variable performance of Cohesion policy is partly associated with deficiencies in administrative capacity and, specifically, problems faced by institutions in the Member States in managing and implementing the Funds in line with the regulatory requirements – strategic planning, multiannual budgeting, project selection and resource allocation, financial management and control, monitoring, reporting and evaluation – and achieving the expected regional development outcomes. The concern with administrative capacity in Cohesion policy is part of a wider debate on the influence of ‘good governance’ on economic and social outcomes.

From a policy perspective, a key challenge for EU Cohesion policymakers is how effective administrative capacity and strong institutions can be built and sustained. In addition to the required stocks of resources, and the functioning of strategic and operational processes, an important dimension of administrative capacity-building (again under-explored in the Cohesion policy domain) is learning – investment in knowledge and skills, learning from experience and the adaptation of tasks, systems and procedures.

This paper explores the differences in administrative capacity for implementing Cohesion policy across the EU and discusses potential explanatory factors that account for these differences. It begins by mapping the variations in performance in implementing Structural Funds at programme level – based on indicators of financial absorption and financial compliance for the 2007-13 period. The paper then examines the administrative processes for Structural Funds implementation in four case study regions in Italy (Puglia, Sicilia) and Poland (Malopolskie, Pomorskie). Based on semi-structured interviews conducted with civil servants and key stakeholders at the regional level, the paper further explores some of the key factors that have an impact on key implementation tasks – programming, project appraisal and selection, monitoring, evaluation, financial management control and audit – and whether these factors make a difference to implementation outcomes.

The paper draws on research being conducted by the authors as part of a three-year study on administrative capacity-building and EU Cohesion policy funded by a European Investment Bank University Research Scholarship.

*Spa Tourism/Music Tourism/Sports Tourism/Film Tourism*

## **A STUDY ON THE COMPETITIVENESS FACTORS OF SPAS AND HEALTH RESORTS IN HUNGARY AND NEIGHBOURING REGIONS**

**Marta Bakucz, University of Pecs, HUNGARY**

The paper covers two topics which are, broadly, inseparable. The first has as its main target the competitiveness of Spa Tourism in two Regions of Hungary - in settlements with different characteristics; the second, recognising the need for a new way to measure competitiveness in the sector, deals with the creation of a new competitiveness index.

The benefits of virtually all forms of Tourism - economic or social – are well enough known to need no repetition. This is especially true of such fields as Spa or Health Tourism, in which there is a natural trend towards longer stays and higher expenditure by visitors. For a relatively poor country such as Hungary – weak in natural resources apart from agricultural land – the basic presence of a generous supply of easily accessible thermal or medicinal water below a huge proportion of its surface area (70%) is a remarkable gift. Nevertheless, many factors are to be studied if a rational, sustainable development policy is to be elaborated by public and private interests.

There are many spas – settlements with thermal or medicinal waters (or both) - spread across Hungary, and their variety is extraordinary. There are huge differences in terms of size, visitor numbers, accommodation facilities, overnights, leisure or treatment facilities and location – that is, their closeness to favourable population areas (domestic or foreign). The critical decisions on investment and development need comprehensive data on all factors of all locations. The essential issue is competitiveness: in Central Europe, where spas have a great tradition and history (e.g., Germany, Austria and today's Czech Republic), does or can Hungary offer a product which will sell? There are numerous factors and as many bases on which to judge.

In 2013 a team from the Faculty of Business and Economics at Pécs University - supported by Hungary's National Scientific Research Foundation (OTKA) – embarked on a study of the competitiveness of spas in the Southwest of the country – an area close to the border with Austria – both an important source of clients and, with its own modern, highly developed spa tourism sector, a serious competitor. The project is scheduled to end in Summer 2016.

A total of 45 spas were examined in Hungary and bordering Burgenland. This was based on a variety of approaches: data obtained from, for example, Hungary's Central Statistical and Tax Offices, individual websites of spas, personal visits and interviews by members of the research team and a telephone survey of customers by a professional market research organisation.

Many factors were used to create a comprehensive set of indicators for what we hope will be accepted as a useful general purpose tool. These ranged from basic concerns such as the type of water in a location and accessibility to size, accommodation quality, facilities and services – together, of course, with cost).

*Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

## **THE IMPACT OF SUBURBANISATION ON SOCIO-POLITICAL DIFFERENTIATION OF LITHUANIAN METROPOLITAN AREAS**

**Ausra Barauskaite, Lithuanian Social Research Centre, LITHUANIA**

The research analyses the properties of electoral behaviour of voters in the Vilnius, Kaunas and Klaipeda metropolitan areas based on the data collected during the Lithuanian Parliament elections in 2000 and 2012 and censuses of residents and households of 2001 and 2011. The regions of Lithuania's major cities were selected due to the great socio-demographic and cultural variety of its residents and due to the fact that this variety is distributed unevenly in space.

The main goal of the research is to evaluate the interrelations between changing socio-demographic and political structures in sprawling urban regions of Lithuania. The socio-demographic and cultural structure of the city territory was evaluated to base the formation of Vilnius, Kaunas and Klaipeda urban regions' electoral structure as they are related by causality. It was found that the causality and patterns in the territorial distribution of election results can be found by analysing the social differences of voters living in different parts of the region. The most important issues discussed in this research are related to spatial differentiation of political preferences of residents of Lithuania's metropolitan areas. The spatial differentiation of support for centre-right wing parties have been analysed and mapped in the context of the shifting socio-demographic structure of these sprawling urban systems. Evident and growing residential differentiation in Vilnius, Kaunas and Klaipeda metropolitan areas was established. The spatial differentiation trends are closely related to suburbanisation processes in all

studied areas, though the deepest and most severe divides were established in capital city – Vilnius. The analysis of the residents' socio-demographic spatial differentiation in Vilnius, Kaunas and Klaipeda regions revealed that the suburbanisation processes are not even. They are shaped by many factors and residents' socio-demographic characteristics related to the residents' social status area among most important ones. The most intense city sprawling processes can be observed in the northern parts of all analysed urban systems, though they are the least concentrated and most dispersed in Kaunas. The socio-demographic structure of Klaipeda is the least fragmented and this could be related to the similar characteristics of its urban and natural landscape.

The changing residential structure of metropolitan areas, which is mostly related to suburbanisation processes, is best reflected by the change of popularity of centre-right wing political parties, because the most distinctive socio-demographic characteristics are common for their supporters. The results of correlation analysis show that in Vilnius the centre-right parties are the most supported by residents who have higher education, speak Lithuanian as their native language, and have higher status jobs. The correlation analysis did not reveal significant interdependencies between area's socio-demographic features and political preferences of their residents in Kaunas and Klaipeda. Such results raise question concerning adequacy of this method for area based studies (at least in less socially differentiated systems) because previous researches and GIS analysis gave different results.

Though spatially differentiated (segregated) political structure was established in all analysed regions, actual patterns of political fields in Vilnius, Kaunas and Klaipeda regions are slightly different. Vilnius and Klaipeda regions have more similarities in their residents' socio-demographic characteristics, thus their territorial resolutions of the voters' political preferences have many common features and are quite expressively differentiated. The popularity of these political parties drops at the edge of analysed regions, where suburban developments are scarce. This is evident even in Kaunas district municipality, where previously centre-right wing parties were strong. It has been observed that the socio-demographic and electoral differentiation in Vilnius and Klaipeda regions also has become even more expressed. This suggests that the social characteristics start to play more important role for political preferences of Lithuanian residents than historical pathways at least in case of centre-right wing parties.

The popularity of centre-right parties in places where these parties were already popular grew alongside with social status of their residents. This territorial differentiation is less expressive in the Kaunas region, but it maintains its structure. These processes show that the socio-spatial polarisation of residents in different parts of the city-region is increasing.

*Special Session: Regional Development at the Crossroads in Post-Socialist Central and Eastern Europe*

#### **(ETHNO)REGIONAL ATTEMPTS IN CENTRAL AND EASTERN EUROPE**

**Nora Baranyai, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

(Ethno)regional movements revived in the 1960s and 1970s in Western Europe, and played significant role in the process of regionalization, territorial and administrative reforms. In developing territorial structures the historical, cultural and ethnic borders were often taken into account, and as a result of decentralization, territorial units with wide autonomy were formed inter alia in the UK, Spain, Italy or Belgium.

Central and Eastern Europe became a part of the Soviet sphere of influence after World War II. Due to the ideology of internationalism, debates on personal or territorial autonomy were unnecessary, and regions with formerly self-governing status were integrated into the general structure of administration. Besides major structural changes (democratization, economic reconstruction, transformation of basic institutions) transitions between 1989 and 1992 initiated other processes as well. In the period of state-socialist internationalism and special nationalisms (Czechoslovakism, Yugoslavism), national, ethnic and regional identities were forcibly dissolved, but in the years of transition several organization, movement appeared again in the region. As a result of this revival new nation states were born (disintegration of socialist federations), while other movements began to struggle for personal and/or territorial autonomy within their own country. Therefore, in the transition period many (ethno)regional movements were established demanding for regional autonomy in Central and Eastern Europe, with the aim of bottom-up shaping territorial-administrative units. The possible accession to EU

propagating Europe of the Regions, the common principles such as subsidiarity and decentralization strengthened and partly developed their efforts. Despite the indirect EU-pressure on states towards regionalization, administrative or (where it was relevant) regional reforms did not take into account the claims of these movements, just in exceptional cases. Since their efforts were inefficient, their goals remained the same: modifying territorial structures, deepening decentralization – reforming the whole state-structure or ensuring territorial autonomy of a certain historical, ethnic/multicultural region.

The aim of the presentation is to summarize the characteristics of Central and Eastern European (ethno)regional movements through an overview of their history, goals and the states' minority and territorial-administrative policies. The analysis includes regional efforts in territories with a numerous minority (Seklerland, South Slovakia) as well as in historical and ethnic/multicultural regions with increasing regional and/or ethnic identity (Istria, Moravia, Upper Silesia, Vojvodina, Zakarpattia). As methods the presentation uses data-analyses (census and electoral databases) and interpretation of relevant laws, documents and programs of (ethno)regional movements.

*Urban and Regional Sustainability*

## **REGIONAL SUSTAINABILITY IN A MOBILE WORLD: REFLECTIONS FROM NEWFOUNDLAND AND LABRADOR, CANADA**

**Joshua Barrett, Memorial University of Newfoundland, CANADA**

Travelling for goods, services, and employment isn't new – but it is changing. In the past decade, scholars have observed a 'mobilities turn' where increased levels, new forms, and different patterns of mobility among people, ideas, and knowledge are present. In an increasingly mobile world, regional sustainability is affected in a variety of ways – there is an increase in commuting at long distances within city regions but also within rural and peripheral regions, with new models of development based on mobile workforces. Using the case of the Vale nickel processing facility in Newfoundland and Labrador, Canada, this paper will evaluate how mobile workforces affect regional sustainability as well how regional development actors have responded to related opportunities and challenges. Employment-related geographical mobility (ERGM) causes a series of opportunities for communities, such as allowing workers to reside in their permanent place of residence, but also challenges, such as the lack of human capital and social capacity to strengthen these residences. Key themes that will be discussed include a mobile workers' investment of time, financial investments, and emotional attachments to place within his or her permanent place of residence. This research is part of the 7-year Social Science and Humanities Research Council of Canada project, On the Move Partnership: Employment-Related Geographical Mobility in the Canadian Context.

*Urban and Regional Theory, Methodology and Data*

## **IMMIGRATION EFFECT ON HUMAN CAPITAL AND LOCAL MULTIPLIERS IN A TRANS-BORDER REGIONAL LABOUR MARKET**

**Moreno Baruffini, Università della Svizzera italiana (USI) Institute for Economic Research (IRE), SWITZERLAND**

In early 2014, Swiss voters narrowly passed a referendum to re-establish quotas for immigrant workers from the European Union, despite widespread concerns that these quotas would threaten Switzerland's importation of skilled labor and compromise the country's ability to participate in EU grant programs requiring compliance with the "free movement" tenet of EU regulations. Nationally, a bare majority of 50.3 percent of voters supported the referendum. The strongest support came from the canton of Ticino, where cross-border commuters from neighboring Italy are perceived to be creating problems with "wage-dumping" and high unemployment for Swiss residents. Although Switzerland has one of the most stable and robust economies in the world, February's vote on immigration reflected significant and geographically-specific concerns with job quality and the job market. Actually, the European continent has seen, in recent years, the progressive elimination of barriers to the mobility of production factors: capital and labour. In particular, labour mobility is the dimension of enlargement, which



will see the most marked change in the current state of integration. As labour mobility constraints are relaxed more and more links between regions are critically to investigate.

This paper therefore aims to fill gaps in the research on immigration flows and local multipliers examining the impact of the immigration (considering both immigrants and trans-borders commuters) to maintain human capital standards and its effect on local multipliers in the Swiss labour market.

To study the size of the long-run cantonal multiplier in Switzerland, the paper uses the same conceptual framework as Moretti (2010). He analyzes local multipliers in US cities and finds that every time a new job in a city's tradable sector is created, 1.6 additional jobs are created in this city's non-tradable sector and simultaneously, the local multiplier in the tradables on the number of jobs in other firms in the tradables industry is not significantly different from zero.

A key aspect of understanding how regions grow is, indeed, the interaction between jobs in the tradable and jobs in the non-tradable sector. Jobs in the tradable sector supply the global market and can therefore move from region to region, but every region has a local demand for non-tradable goods and the size of the non-tradable sector is directly dependent on the size of the tradable industries. As an example, the increased employment in the tradable sector increases the total income in a region and therefore allows for more consumption by the local inhabitants. This can be fostered, for instance, by an exogenous or endogenous immigration, that increases the demand for goods and services produced or provided locally in sectors such as construction, transportation and personal services. Consequently, a demand multiplier is likely to lead to the creation of additional jobs locally. However, this will increase demand for non-tradable goods but the size of the local multiplier will depend on many factors, such as the type of new jobs in the tradable sector, the level of the human capital in a region and the unemployment rate.

The size of the "local multiplier" in Switzerland is therefore estimated by means of a set of OLS and instrumental variable (IV) regressions in order to relate employment growth – at a cantonal level – in the non-tradable to employment growth in the tradable sector. As the independent variable the change over time in the log of the number of jobs in the tradable sector in a region (canton) is used and as the dependent variable the change over time in the log number of jobs in the non-tradable sector in a region (canton) is used. The data come from the Swiss Wage Structure Surveys 2008, 2010 and 2012. The instrument for the growth of tradable employment at a cantonal level is then calculated from the well-established shift share approach introduced by Bartik (1991), which is an improved version of the instrument used by Moretti (2010).

First results show that the cantonal multiplier is lower than the city-level multiplier in the US but exceeds the regional multiplier in similar European regions. This finding is highly relevant for policy makers: attracting tradable jobs to a region can be a great impulse for employment in both the tradable and the non-tradable sector. This could be an important part of the "labour demand policies" considering that job creation in Switzerland based on immigrant inflows is also likely to attract further immigration.

*City Region Building and Metropolitics*

## **URBANIZATION IN CHINA - EXPERIENCES AND OPTIONS**

**Josef Baum, University of Vienna, AUSTRIA**

The ongoing developments and processes in China are not only scientifically very interesting but also decisive for the fate of mankind: Because of the "Compression" of space and activities and - as a historical specific characteristic of China because of the RE-emergence – the coincidental "Compression" of TIME in China we can observe like in a test-tube and analyse highly accelerated socio-ecological processes.

- Finally the issue of mitigation of climate change will be decided substantially in the (growing) cities. Urbanisation trends in Europe show some increasing speed (with some counter-examples in Eastern Europe) but are slow in comparison to China. The fundamental background of settlement patterns in general and urbanisation is the very basic function of SOIL, and very particularly for China: soil is not only the basis of life and mankind, soil is life.

The huge dimension of the planned further urbanisation China implicates still sustainable options to avoid impasses of the west.

Up from Thuenen until Krugman: City and transport is connected tightly. Should (Chinese) cities be adapted to cars or to people?

One of the biggest challenges in cities worldwide are segregation, gentrification, exclusion as far as establishing gated communities. There is some evidence of this developments also in Chinese cities but below global average. When in some phases of Russian or Chinese history there was some glorification of rural regions on the other side an opposed unilateral glorification of the city, see e. g. the US urban theorist Edward Glaeser "The triumph of the city" is also not adequate. And we should not only look at the biggest city or on some mega-cities but also and more on the small- and medium-sized cities.

There are some paradoxes and contradictoriness: although there are preconditions for a better use of resources why then we often see higher energy and resource intensity p.c. in cities? The explanation is the capitalist form of urbanisation dominated by accumulation of capital when costs are externalised to the common, and the income gap within urban regions, and in the relation between urban and rural regions. These income gaps are drivers of unsustainable production, growth and lifestyles – because different group want to catch up or maintain and strengthen their levels.

Should buildings be built cheaply constructed by low cost and high profit, but with short life span, high waste and landfill costs; and high operating and energy costs? And are there specific characteristics of a "socialist" city, for better "eco-socialist" city with "Chinese characteristics"?

*Local and Regional Economic Development and Planning*

## **REGIONAL ECONOMIC DEVELOPMENT IN BORDER REGIONS: THE ROLE OF BORDERS FOR LOGISTICS FIRMS IN THE GREATER REGION**

**Joshua Bechtold, University of Saarland, GERMANY**

Various reasons led nations-states to put more effort in fostering regional economic development in core regions, border regions as a consequence often remained economically underdeveloped even though the reduction of barriers for mobility of labour, goods, services and capital created new paths for regional economic development in border regions.

The Greater Region is deeply shaped by its common heritage of the heavy industry. While some sub-regions, mainly Luxembourg, managed to switch to a new growth path, others had trouble to adapt to the rapid structural change. The worldwide economic crisis in 2008/2009 however had severe repercussions for all sub-regions. Diversifying the economic structure and tackling unemployment have recently been the major issues for national and regional governments. Due to its favourable location as an important junction of traffic routes in Western Europe, politicians of all sub-regions have pointed out the importance of logistics firms for the regional economic development, especially in regard to its potentially high demand for low-skilled labour force.

In a globalised economy logistics firms play an important role by serving as bridges between a multitude of stakeholders on different spatial levels. They manage the flow of goods over time and space, even across borders, from the point of production to the point of consumption. Can border regions offer certain advantages for logistics firms that core regions do not? The spatial proximity to specific clients in a neighbouring country for example could represent such an advantage. On the other hand some barriers might still persist despite the integration into a common economic area. Such barriers can either consist of materialised borders which emerge from different legal frameworks or they can be immaterial, resulting from a strong regional identities or language barriers.

The main goal of the study is to find out what role logistics firms play for the economic development in the Greater Region. An in-depth documentary research will be conducted and the result will lead to a SWOT-analysis.

A further research question is going to point out the influence of borders on logistics firm's performance and proposing answers to how barriers can be overcome.

One hypothesis is that cross-border cooperation is a prerequisite to develop a well-functioning infrastructure, essential for the logistics sector. Only if sub-regions work together they can increase their economic performance and benefit from synergy effects.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **HOW SMART ARE SMART SPECIALISATION STRATEGIES? AN EXPLORATION OF THE STATE-OF-THE-ART IN 3 REGIONS OF THE NETHERLANDS**

**Pascal Beckers, Radboud University Nijmegen, THE NETHERLANDS**

Since the European Commission added the formulation of a Smart Specialisation Strategy as a new ERDF funding requirement, many European regions have formulated such strategies. In the Netherlands, four RIS 3 documents are formulated that detail the strategic regional development goals for the coming years. As the geographical regions in these documents are rather broad, more specific strategies tend to be devised at a smaller regional scale. Although, many regions in the Netherlands and across the EU have embraced this concept, given the recent formulation of the strategic documents, little is actually known as to how this formulation actually translates to actual implementation at the regional level as a collaborative effort of various actors.

Therefore, the main goal of this research is to contribute to the understanding of how Smart Specialisation Strategies are formulated and implemented at the regional level as a collaborative effort of various actors, by comparing 3 distinct regional cases from the Netherlands, the regions of West Brabant, FoodValley and Health-Valley. The central research question is: What is the state-of-the-art of the formulation and implementation of the Smart Specialisation Strategies in the Dutch regions of West Brabant, FoodValley and Health-Valley and what are the roles of the various actors involved in this process?

Our findings illustrate that the formulation and implementation of Smart Specialisation Strategies differ to a large extent with regard to the implementation phase they are in, content and extent of collaboration between local actors.

*Special Session: Place Leadership in the 21st Century: Power, Influence and Economic Growth*

## **PLACE LEADERSHIP: TOWARDS INNOVATIVE EPISTEMOLOGIES AND THEORY BUILDING**

**Andrew Beer, UniSA Business School, AUSTRALIA**

Place leadership is a rapidly emerging field within regional studies, and builds upon solid empirical and conceptual foundations established by North (1990); Stimson and Stough (2001) and other leading figures within regional science. As Beer and Clower (2014) and Sotarauta (2009) have noted, the focus on place leadership has re-inserted agency into accounts of regional processes. Much of this literature, however, has been dominated by case studies (see, for example Kroehn et al (2010)) which has provided a depth of analysis of individual instances of leadership, but limited the development of generalisable insights of a broader theoretical nature. The place leadership literature needs to both investigate new epistemologies and commence the construction of a meta-theory of place leadership if it is to continue to thrive as an area of regional research. It also needs to reflect upon recent developments in the mainstream leadership literature and span the boundaries between the two disciplines. This paper outlines a new approach to understanding place leadership, using vignettes - an established method in leadership research - to develop cross national insights into place leadership. The paper contributes to a multi national research project that includes Australia, the USA, Finland, England, Italy and Germany.

**Emanuele Belotti, Gran Sasso Science Institute, ITALY**

In the last five years, the squatting of public housing apartments has reached an extremely relevant proportion in the context of Milan, where over 4 000 public housing apartments are currently squatted by homeless people. This phenomenon has been favoured by the partial dismissal of public housing stock and it is thus affecting the peripheral neighbourhoods showing the highest numbers of vacant public housing apartments.

The paper deals with the case of San Siro, that is the neighbourhood housing the largest group of squatters in Milan, where over 600 vacant public housing apartments have been being squatted. The survey has narrowed the field of observation on the share of migrant inhabitants experiencing this illegal practice, investigating their features and motivations to squat, as well as the conditions that have fostered the phenomenon's consolidation. The analysis has taken into consideration the structural factors contributing to spread the squatting of public housing apartments in Milan, by considering both the arrangement of the labour market and dynamics of the rental sector. In this light, it has verified the local housing policies' capacity of facing the negative effects caused by these factors, by absorbing the most economically vulnerable share of housing demand.

The survey has been carried out since the month of June 2015. It has been addressed to a sample-group of squatters belonging the 'Abitanti di San Siro' neighbourhood committee: twenty semi-structured interviews referring to twenty squatted public housing apartments have overall collected data concerning fifty-three individuals. Moreover, crucial information have been acquired through field observation, that is partaking in committee's activities.

The literature about the practice of squatting provides various explanations of this phenomenon, particularly insisting on the counter-cultural and political orientations that it mostly seems to assume in the European context. Nonetheless, the paper argues that the migrant squatting in Milan shows peculiarities the academic debate tends to underestimate, disregarding both its diverse cultural framework and the specific needs entailed by migrations.

In the case of San Siro, although the migrant squatting is not foremost a politically-oriented form of action, it becomes a collective practice producing significant political outcomes. This practice may work as a self-provided form of welfare protection: it obviates the inadequacy of social policies in contrasting the spread of working poverty among migrants, eluding limitations of access to citizenship and facilitating the migrants' territorial stabilization.

**Jozsef Benedek, Universitatea Babes-Bolyai, ROMANIA**

**Abstract.** The relationship between transport and socio-economic development is complex and far from linear, but we need to consider how this relation can be operationalized. The paper describes how can road transport infrastructure, socio-economic development and transport safety be related in the spatial context of Romania, characterised by a new spatial mobility regime, reflecting the transition from the socialist mobility regime with controlled and low spatial mobility to a free market mobility with no formal mobility restrictions and growing intensity of mobility. The main aim of this paper is to analyse the interconnectedness of three main dimensions of the new spatial mobility regime: transport, socio-economic development and traffic safety. The latest issue is a crucial one, and special for the Romanian context, where the number of road accidents is the highest in the EU. We used the tools provided by GIS and the official statistics from the National Road Police Office and the National Institute of Statistics. The main findings reveal a strong correlation between the level of urbanization and economic output and the intensity of spatial mobility, the latest approximated by the average daily road traffic. In addition, the paper shows that the high number of casualties from traffic accidents are strongly related

to the unmodernised road transport network and therefore to the intense traffic resulted from the increased mobility levels.

*Special Session: Knowledge Dynamics and Regional Development Policy in the Transition to Sustainable Development, Circular Economy and Bio Economy*

## **ACCOUNTING FOR SMART CITIZEN KNOWLEDGE IN CONTROVERSIAL REGIONAL DECISION-MAKING PROCESSES?**

**Paul Benneworth, University of Twente, THE NETHERLANDS**  
**Willem-Jan Velderman, CHEPS, THE NETHERLANDS**

In transitioning to smart, sustainable, inclusive societies, regional decision-makers continually take judgements concerning highly complex and controversial questions including the placement of housing, the use or preservation of natural resources and the location of regional investments. Part of a region's 'smartness' is in its policy capacity to bring relevant, detailed knowledge about these issues to create a deep understanding of the contexts, their choices and consequences to create the best outcome for their citizens (Swyngedouw, 2005. Bevir and Rhodes, 2010). But policy knowledge validity has become increasingly defined in formal 'expertise' (in the so-called 'post-political society'), making it harder for holders of lay knowledge (e.g. community groups, individual citizens) to contribute to decision-making (Isenhour, 2011). A key issue here is that for policy-makers facing urgent pressures, citizen-knowledge, which is diffuse, unruly and unknown, is difficult to access and fit neatly into policy processes (Mouffe, 2000).

Consequently, policy-makers may choose to proceed not taking that citizen knowledge adequately into account (Holden, 2011). This raises the spectre of potentially strongly negative consequences despite the 'region' possessing the necessary knowledge to avoid those problems in advance, a clear governance failure. We here develop the concept of a 'smart city knowledge architecture' as the sum of formal and informal connections and meeting points (and lacunae) between different kinds of experts (policy, academic, citizen) where problems are agreed, analysed, diagnosed and solutions proposed and agreed (Brenner et al, 2012). Truly smart regions will therefore develop appropriate 'knowledge architectures' to incorporate these vernacular-citizen knowledges to maximise the benefits of those policies for regional citizenry. We ask the research question: "How can regional policy-makers use citizens' lay knowledges in taking decisions regarding complex, controversial multi-dimensional regional issues?"

We address this question with a case study based around Twente (East Netherlands), where the regional executive is seeking to innovate in its approach to governance to make them itself 'smart', in partnership with municipalities, and in which the regional knowledge institutions (UTwente, Saxion) have been extremely proactive in working to support that activity. It faces a number of highly controversial issues relating to smart city-regional governance, including the development of a former airbase, emergency oil storage in former salt mines, storing contaminated waste water by pumping it into depleted salt mineshafts. In parallel with these challenges, the smart city agenda is defaulting to relatively straightforward 'unthreatening' engagements with citizens (e.g. co-developing new public art, smart sensors and touchscreens to monitor shopping street satisfaction).

The case study will take one of these controversies where there is both a regional expert knowledge network as well as clear citizen knowledge mobilisations, that of underground waste water storage, injecting water polluted as a by-product of fracking in Drenthe into exhausted oil fields in Twente. The case study will explore an emergent knowledge architecture attempting to deal with a specific 'controversial entanglement' to go beyond seeking citizens' opinions or tacit consent, to providing detailed, context specific understanding of the places where people live. By also exploring the underlying structures and dynamics, it is possible to contribute conceptually to understanding effective citizen engagement to fulfil the potentialities of smart city development.

## **THE ROLE OF DIFFERENT STAKEHOLDERS IN UPGRADING NEIGHBOURHOODS OF HUNGARIAN CITIES**

**Eszter Berényi B., Geographical Institute, Hungarian Academy of Sciences, HUNGARY**

Historical inner-city neighbourhoods were severely neglected by state-socialism throughout East Central Europe. After the systemic transition in 1989-90 an urban renaissance could be identified in certain parts of post-socialist cities especially in the city-centres due to area based urban renewal activities and the investment of global players. Research on inner-city transformations focused mainly on the functional aspects of the phenomenon in the 1990s. Physical upgrading and functional change provided the basic preconditions for long-term upward trajectories in inner-city neighbourhoods. Since the turn of the millennium more attention has been paid to the socio-spatial outcomes of urban renewal. Most of the recently appeared papers dealt with the social changes that occurred due to renewal activities in capital cities. However, knowledge on the motivations of different stakeholders and the effects of local urban policies and governance arrangements on urban space in second/third-tier cities is still limited. This paper builds on empirical research findings from upgrading neighbourhoods in Budapest and four major Hungarian cities (Miskolc, Debrecen, Szeged, Pécs). We present first the main actors of neighbourhood change and focus on the role of local urban policies and government arrangements, the participation of the local population, NGOs and conflicts related to urban renewal activities. A key aspect of sustainable urban renewal is the long-term cooperation among local government, investors and local residents. A well-balanced relationship among stakeholders may lead to liveable neighbourhoods and strong local communities, but as it is often the case the interests of local residents in formulation of urban renewal strategies are getting lost. Similarities and differences among the investigated case-study neighbourhoods and between the capital city and the countryside cities are identified. At the end of the paper the long-term policy implications of the study are summarised.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **POLICIES AND PRACTICES OF SMALL-SCALE FOOD PRODUCTION IN RURAL AREAS IN THE NORDIC COUNTRIES 1980-2015. A LITERATURE REVIEW**

**Camilla Berglund, Karlstad University, SWEDEN**

**Eva Svensson, Department of Environmental and Life Sciences, Karlstad University, SWEDEN**

This paper aims at discussing results from a literature review on policies and practices in small-scale food production in rural areas in the Nordic countries. The review will focus on research on the development of policies and practices of rural small-scale food production related to aspects of food security, food quality and rural livelihood strategies. Global challenges and visions of flourishing rural areas are discussed in parallel trajectories in the main discourse of sustainable development. Small-scale food production mirrors as well e.g. crises and trends as adaptation to crisis and trends, where rural areas become of importance to meet these as changing life styles and consumption patterns calls for new products and activities. Local nature and culture heritage are frequently integrated into the branding of small-scale food production to associate the product with environmental and traditional awareness. This review intends to map the societal contexts that have shaped rural small-scale food production in the Nordic countries from 1980 until today. The literature review forms an important part of a planned project about neo-traditional organization and retro-innovations in small-scale food production in rural areas in Sweden.

**SOCIO-SPATIAL INEQUALITIES AS MANIFESTATIONS OF LOCAL OPPORTUNITY STRUCTURES: SOCIO-SPATIAL EFFECTS ON RESOURCES, POVERTY AND WELL-BEING IN THE CZECH REPUBLIC**

**Josef Bernard, Czech Academy of Sciences, CZECH REPUBLIC**

Socio-spatial inequalities are usually analysed as the spatial projection of inequalities arising from essentially social factors, like differences in access to various forms of capital. However, socio-spatial inequalities per se represent important factor of resource allocation to individuals and households and a factor influencing life chances, because they form the spatial context of individuals' lives. The effects of socio-spatial inequalities on individuals have been extensively analysed within residentially segregated urban areas under the umbrella of so called neighbourhood effects. However, just little attention has been devoted to contextual spatial effects in other territories and on other spatial scales. We argue in the presentation, that contextual effects in a broader sense can effectively be conceptualised and analysed as manifestations of regional and local opportunity structures. Opportunity structures are manifestations of socio-spatial inequalities, which represent various forms of economic and non-economic circumstances that enable or disable people occupying specific territories to achieve their desired goals. The concept of opportunity structures is based on the consideration that physical space inhabited by people and filled with their institutions is an arena offering various opportunities and constraints for people occupying it and for their activities. Job supply, transport systems, public and private services or various social networks represent important elements of opportunity structures. Some effects of local opportunity structures in the Czech Republic will be analysed in the presentation. We will pay special attention to the question how high local concentrations of disadvantage impact material situation of households, educational aspirations of youth and well-being.

The Czech Republic experienced increasing spatial polarisation in the last 25 years. Low levels of spatial inequalities inherited from the communist regime increased rapidly in the process of post-communist transformation. A territorial differentiation of living conditions and economic opportunities became apparent, both in urban and rural areas. One manifestation of the polarization is the increasing gap between peripheral areas with an underdeveloped labour market and hazardous demographic trends on one hand, and the Prague metropolitan region, which experienced rapid economic and population development on the other. Moreover, these polarisation trends intersect with traditionally established forms of socio-spatial inequalities, for which lagging rural areas remote to regional centers were typical. The resulting socio-spatial differentiation on a micro-regional scale will be presented and the impact of local concentrations of disadvantage on objective and subjective conditions of individuals and households will be analysed.

**THE FUTURE OF DETACHED HOUSING IN FIVE NORTH-WESTERN EUROPEAN COUNTRIES**

**Andrea Berndgen-Kaiser, ILS - Research Institute for Regional and Urban development, GERMANY**

A European research network examines the topic of ageing detached and semi-detached housing neighbourhoods in an international network. Partners from Belgium, France, Germany, the Netherlands and the UK aim at analysing problems and opportunities arising in the context of generation change in detached post-war housing neighbourhoods.

In several EU regions a mismatch between housing supply and demand in these housing neighbourhoods is emerging, especially in post-war residential areas in rural districts and small and medium sized towns. Manifold factors are triggering this mismatch such as demographic and social change (declining and ageing population, change in households' structure, increase of precarious working relations), economic decline in many countries, features of the building stock (inappropriate floor plans, low energy performance of buildings, areas perceived as out-of-date), and planning policies (competition between housing stock and new developed greenfield construction sites). In the majority of cases the mismatch is related to a combination of multiple factors like regional location and economic situation of the municipality, location and accessibility of the neighbourhood within the municipality, to mention only two of them. In addition, the economic growth of metropolitan areas

stands opposite to the weak economic infrastructure of small and medium sized towns. The consequence of the mismatch can be a growing percentage of vacancies in these neighbourhoods, hence creating further problems of loss of image and attractiveness and thus increasing the risk of falling into a spiral of decline.

Which impact the current refugee issues will have on the situation described above cannot yet be comprehensively assessed. For example in Germany the influx of refugees will at least approximately quintuple from 2014 to 2015. If and how the increasing demand will affect rural and 'disconnected regions' is the great unknown variable.

A comparative analysis of population development, employment and housing market on NUTS 3 level allows discussing the different problems of the participating countries. Furthermore, the research team explores measures which have already been implemented in the participating countries to cope with a mismatch of supply and demand. This allows a comparison of the efficiency of national and regional framework conditions. The analysis of these already existing actions helps to compile a toolkit of measures to deal with the existing building stock in order to build a resilient planning policy.

One result of the research is the formulation of guidelines for institutional support, so as to limit unnecessary regulatory constraints, consolidate their efficient support and develop innovative ways of stimulating awareness and accompanying local policies. The overall aim of the project is to bring forward strategies that enable public authorities to both manage the balance between housing supply and demand, and to develop and promote policies and measures that contribute to the further use of the previously developed housing areas.

*Innovation, Agglomeration, Evolution*

## **TOWARD A TYPOLOGY OF REPOSITIONING STRATEGIES OF GVC/GPN SUPPLIERS: THE CASE OF FUNCTIONAL UPGRADING AND DOWNGRADING**

**Jiri Blazek, Charles University in Prague, CZECH REPUBLIC**

This presentation examines various upgrading and downgrading repositioning firm strategies within global value chains (GVCs) or global production networks (GPNs). It builds upon recent evidence that the mode of governance could vary profoundly among firms engaged in the same GVC/GPN. Therefore, the relevance of particular types of upgrading that were originally derived from the ideal types of GVC/GPN governance will be reconsidered. It will be argued that the existing dissonance in the literature over possibilities for functional upgrading can be attributed to the different modes of governance that can exist within a particular GVC/GPN and to the diverse nature of functional upgrading. Consequently, a typology of functional upgrading is outlined, and it will be argued that these different types vary significantly according to their probability and potential risk-benefit ratios. The article also introduces passive, adaptive and strategic downgrading and outlines their potential negative and positive effects on firms.

*Urban and Regional Sustainability*

## **ASSESSING AND PLANNING HUMAN SETTLEMENT SYSTEM IN SLOVENIA: A PRELIMINARY REPORT**

**David Bole, ZRC SAZU, SLOVENIA**

Good knowledge on the human settlement spatial and hierarchical organisation is needed in order to implement values of regional policy making. Spatial and hierarchical characteristics of the human settlement system can show us the ways that people and economic activities are organised in space and how they are changing over time due to different reasons: urban shrinkage, depopulation, economic structural changes, in-migration, suburbanisation, etc.

In Slovenia, a new strategy of spatial development is under-way and an analysis/assessment of the existing settlement system was done in order to prepare an expert basis for its implementation. In this presentation we



will show how we investigated the central place settlement system in Slovenia, where we tried to include two basic concepts: cohesiveness on one hand and competitiveness on the other. Firstly, we will present the methodology for assessing those two concepts in the settlement system in Slovenia and present the preliminary results. Thus we will present functional and morphological criteria used to define and assess settlements, the data used and the final mapping of Slovenian settlement system. In the second part of the presentation we will discuss and interpret the results. Besides concrete findings in Slovenia, we will debate how the 'old central place' theory could be used in spatial and regional science and how to 'link' this traditional theory with newer concepts of polycentric development. We hope to raise further questions on how to plan the human settlement system in a perfect balance between cohesion on a local scale and competitiveness on a regional/national scale and how to plan not only vertically (town hierarchy) but also horizontally (networks, accessibility).

#### *Urban and Regional Sustainability*

### **URBAN FARMING IN STOCKHOLM: DOES COMMUNAL URBAN FARMING PROJECTS IN STOCKHOLM CONTRIBUTE TO A MORE SUSTAINABLE CITY?**

**Madeleine Bonow, School of Natural Science, Technology and Environmental Studies, SWEDEN**  
**Maria Normark, Södertörn University, SWEDEN**

Today, the global food system is complex, involving transfers of food from many corners of the globe. Food is grown so that it can be shipped easily and great distances. The issue of sustainable regional and urban development have gained increased relevance in recent years. It is a horizontal objective in European regional development policy which will permeate all areas, not least in agriculture. This agricultural model has given rise to two types of processes in the European agricultural landscape. One is that the high-intensity production system based on standardized technology and great production has become dominant. The second is that traditional and community-based production has become marginalized. At the same time the world's cities are currently growing at a rapid pace, both in population and in amount of acreage and this system, with large distances from the production to the market, is taxed with problematic issues, such as the distance required to transport food, the large dependency on fossil fuels, the low incomes for farmers, the susceptibility of the food supply to shocks and the increasing cost of healthy food.

However, there are alternatives that in many ways circumvent the negative aspects of conventional agriculture. One response to this unsustainable urban development is to establish urban agriculture. Urban agriculture can be practiced in almost any space within the city. Vacant lots, parks, rooftops, alleyways parking lots and backyards. Unlike conventional agriculture, which follows primarily intensive agriculture models in which mono-crops and economies of scale are sought, urban agriculture can take on various forms and scales.

This phenomenon has become a growing trend that also spread to Sweden. The question then, is how sustainable is the urban farming trend in Sweden? This paper examined if communal urban farming projects in Stockholm contributes to a more sustainable city. What is needed to keep those urban gardens in the long run, and what motivates people to volunteer in these community gardens. The Study was conducted through qualitative interviews with urban farmers engaged in various farming projects in Stockholm and local officials at municipality level. The work will be discussed in the lens of Ecosystem services, Sustainable Development, and the theories of Collective Identity and Self-determination Theory. The result of the study shows that the primary motivation for urban gardening in Stockholm is not necessary about the production of food at least not to be self-sufficient. People were very much interested in gardening because the produce were organic and traceable but equally important was it that it helped them bond with their peers and meet new people. If Urban agriculture is going to be a way to sustain the city with food then other forms of initiatives are necessary and not in the communal form it is done now. The City of Stockholm needs to plan and integrate urban farming in to the city planning and management if the phenomenon will be sustainable, than it can become a natural part of the cityscape and provide various ecosystem services.

**UNDERSTANDING THE PROCESS OF KNOWLEDGE SPILLOVER (KS) WITHIN REGIONAL INNOVATION SYSTEMS (RIS): A METHODOLOGY**

**Sergio Botelho Junior, Waterford Institute Of Technology, IRELAND**

**Bill O’Gorman, Waterford Institute of Technology, IRELAND**

It is well known that Knowledge Spillover (KS) happens, but existing literature to date shows that it is still unclear as to how exactly it happens. It is important to understand the KS process as it leads firms towards innovation and regions to sustainable development and growth. Moreover, KS is continuously taking place in Regional Innovation Systems (RIS). As a result, this is a methodological paper that has the objective of proposing a mixed method approach methodology to understand KS within RIS in four different European regions (South East, Ireland; Castilla-La Mancha, Spain; Bucharest-Ifov, Romania; and Central Hungary). The key assumption of this methodology paper is that in order to understand about a phenomenon, such as KS, it is first of all necessary to understand its causes.

Understanding the KS process through its causes, however, is tricky, since KS is unintentional. In other words, KS is a side effect of the innovation process. When RIS stakeholders’ interactions focus on innovation, these interactions lead to unintended transmissions of knowledge that benefit other organisations in their surroundings. RIS stakeholders are individuals, or organisations, that bring together knowledge and understanding about different facets of their region’s innovation system. Thus, understanding and then propagating the KS phenomenon is useful for public policies as it can help to improve economies and quality of life at a regional scale through innovation.

All the phases of the methodology to acquire the understanding of the KS process depend on the identification of KS indicators. They are intrinsic to the process. The process adopted for this paper was, firstly, a literature review to reveal the KS indicators. Secondly, these KS indicators are evaluated through a survey in the four different RIS mentioned above. Based in a factor analysis these KS indicators are grouped in such a way that they reveal their underlying dimensions. Thirdly, these dimensions are then exposed to random RIS stakeholders through in-depth interviews so that the factors can be interpreted as regards their role in each region examined as well as identifying the order of importance and causality in the regional spillover process.

This paper is part of a broader research study that seeks to propagate KS. The deconstruction of KS into discrete dimensions will help to understand the process in which knowledge spillover happens; in turn this understanding will be essential to proposing a methodology to propagate effective KS processes. KS is a core ingredient of successful RIS. Therefore such an understanding will help to enhance the long term sustainability of RIS in specific regions. The expected impact of this research is that it introduces new concepts and methodology to the existing and growing body of KS research. Particularly in relation to propagating KS. This research has implications for policy makers, enterprise support agencies, practitioners and academics studying knowledge spillover.

**TERRITORIAL DEVELOPMENT AND THE NATIONAL SPATIAL PLANNING AGENDA: IRELAND’S SECOND-TIER CITY REGIONS**

**William Brady, IRELAND**

The preparation of a new National Spatial Strategy for Ireland in 2015 presents a distinct opportunity to deliver a strong urban policy framework in Ireland. Launched in 2002, the original National Spatial Strategy represented a significant milestone in the development of a policy for the country’s city regions. Against a public policy background that had been generally ambivalent towards the needs of cities, the development of government policy that included explicit reference to the concept of a polycentric urban settlement system was significant. This involved the development of a strong urban hierarchy as part of the challenge of supporting balanced regional development and addressing the difficulties associated with the primacy of Dublin as the capital city. As a key part of the NSS, the four second-tier city regions were designated as National Gateways, reflecting their

role as forming the critical second level of the national settlement hierarchy. These National Gateways were to attract sufficient levels of investment and development to act collectively as an effective counterweight to the capital and individually as engines of regional development.

This paper examines the extent to which this new found emphasis on urban concentration at the second tier as a policy aim was matched by subsequent political and administrative commitments in the form of enhancing the capacity of urban governance at this level of the urban hierarchy. Following a brief overview of the state's recent demographic and economic trends, and a discussion of the broader context of the position of second tier cities in an international context, it deconstructs the meaning of national gateway status within the NSS and develops an understanding of what this implied in the context of the focus on the second tier cities concerned. It then assesses the relative performance of the second tier cities by measuring the degree of concentration of settlement and development activity in these locations against what was designated. Finally, it discusses briefly the urban governance dimension by examining the extent to which the city regions concerned were actually empowered to function effectively as strong regional centres and to fulfil their role as National Gateways.

*Special Session: Challenges of Regional Development and EU Integration in South East Europe*

## **CONTRIBUTION OF THE ETC PROGRAMMES TO EUSAIR PILLARS**

**Nicola Brignani, ITALY**

**Paul Georis, BELGIUM**

**Andrea Gramillano, t33, ITALY**

**Arta Preku, t33, ITALY**

### **CONCEPTUAL FRAMEWORK**

The EU strategy for the Adriatic and Ionian Region (EUSAIR) was adopted in October 2014. The strategy regards 8 countries, 4 EU Member States (Italy, Croatia, Greece and Slovenia) and 4 non-EU Member States (Albania, Bosnia – Herzegovina, Montenegro and Serbia), and is built upon four pillars: Blue Growth, Connecting the Region, Environmental quality, Sustainable Tourism.

### **RESEARCH FOCUS**

EUSAIR is the only macro-regional strategy which involves only EU Member States and States from the pre-accession area (candidate and potential candidate countries). Therefore, the paper aims at identifying the contribution of the ETC programmes in the area – in particular transnational programme ADRION and the CBC programmes - to the achievement of the EUSAIR objectives and therefore to the regional development and EU integration of these countries.

First, the paper will show the situation of the area concerned by EUSAIR, in terms of Smart, Sustainable and Inclusive Growth, also considering other relevant aspects such as government effectiveness and commercial integration. This situation analysis will use the set of needs identified in the section 1 of the programmes and the main official available sources (e.g. ESPON, Eurostat).

Secondly, the research team will examine more into depth through document review and matrix based techniques the above-mentioned programmes in order to verify the direct or indirect coherence of the selected Thematic Objectives/Thematic Priorities and Specific Objectives with the EUSAIR pillars. Furthermore, the researchers will analyse the financial allocation of the programmes with a view to provide a mapping of the estimated financial contribution of these programmes for each pillar. The researchers will also capitalise the specific knowledge gained through their direct involvement (as evaluators) in the set-up of several ETC programmes in the area and elaborate methodologies for assessing the contribution of the programmes to the strategy also at an on-going and ex-post phase.

The specific challenges related to the implementation of the territorial cooperation instruments in the EUSAIR area will represent the third topic of the discussion. The review of 2007-2013 projects through the KEEP database allows to show the main project topics, partners and lead partners involved in the previous programming period. Lastly, the paper discusses possible solutions for the identified challenges regarding:

- the ad hoc monitoring of the targets of the pillars and of the resources allocated to EUSAIR;
- the promotion of activities supporting the capacity building through EU programmes;
- the development of ad hoc studies filling the data gaps and supporting the decision-making process in the area.

#### *Urban and Regional Sustainability*

### **URBAN AND RURAL REGENERATION IN POLAND – THE POSSIBILITY OF SURVEYING BY OFFICIAL STATISTICS**

**Robert Buciak, Central Statistical Office of Poland, POLAND**

Statistical researches on urban and rural regeneration in Poland are rarely performed. So far, surveys conducted by official statistics do not meet the growing information needs. Currently in Poland there is no system for collecting data on urban and rural regeneration. In order to fill information gap in the scope of regeneration in 2015 experts from official statistics conducted a survey.

The aims of the survey were to develop a methodology for measuring tasks of urban and rural regeneration undertaken by the municipalities and to obtain data about the scale of the activities carried out by in 2012-2014. A pilot questionnaire study was prepared and municipalities were directly asked to obtain necessary data. The survey helped to elaborate diagnostic features on urban and rural regeneration activities. The size of the activities was described by – the area covered by regeneration activities, the number of people living in these areas, methods used to delimitation of regeneration areas, the scale of consideration of regeneration in municipal planning documents.

Bottom-up operations in the area of regeneration gained momentum after the Polish accession to the European Union. The task of urban and rural regeneration is to restore the activity in areas with difficult situations, including eg. in the centers of large cities, where the processes of depopulation and the outflow of economic operators and degradation of buildings take place. This trends were noticed by national authorities in numerous places. As a result in 2015 was adopted for the first time the Law on Revitalization (Journal of Law 2015, item 1777). The act imposes on municipalities an obligation to use in regeneration plans a numerous social, economic and spatial planning indicators. Our statistical survey will help to monitor the results of implementation of the new law.

Proposed set of data and diagnostic indicators allow to objectify and evaluate of management processes in municipalities. Furthermore, they provide valuable information on the activity of local governments in restoring the desired state in degraded areas.

#### *Local and Regional Economic Development and Planning*

### **EVOLUTION OF REGIONAL STRATEGIC PLANNING IN RUSSIA IN A CONTEXT OF REGIONAL SOCIO-ECONOMIC DEVELOPMENT**

**Kseniya Budaeva, Institute for Public Finance Reform, RUSSIA**  
**Vladimir Klimanov, Institute for Public Finance Reform, RUSSIA**

Nowadays, Russia has reached a new phase of strategic planning. There is a process of implementation of the Federal Law of June 28, 2014 No. 172-FZ 'On strategic planning in the Russian Federation' which encompasses both federal and sub-federal levels. The law has approved the status and general characteristics of strategic planning documents. Thus, a regional strategy of economic and social development is the main document of strategic planning at sub-national level in Russia determining priorities, goals and objectives of territory development.

The most of regional strategies were changed more than once affected by legislative amendments. However, the analysis of a form and content in terms for identifying best practices, taking into account the similarities and individual characteristics of documents, carried out infrequently.

For evaluation of regional strategies' content, we selected our own methodology based on qualitative and quantitative documentary analysis. We studied content of strategies for their compliance with the formulated criteria in 2007 and 2015. Some basic elements of the strategy have been chosen: goals, objectives, analysis of economic and social development, choice of strategic alternatives, role of the region in the national economy, its economic relations with neighboring regions, risk analysis and analysis of regional economy sectors.

As the result, we identified main trends in regional strategic documents' evolution and in regional development, which seems relevant in the context of the new regulatory framework in strategic planning system in Russia. The analysis indicates a positive progressive development of strategic planning. Over the past decade, the number of regional strategies has increased significantly; their content and quality have been improved.

Almost in all documents, there is an analysis of economic and social situation in the region including strengths and weaknesses of development, geographical and historical features. The majority of documents contain analysis of region's economic relations with neighboring territories and other regions. However, the quality of sections about cooperation with neighboring regions is questionable cause in the most documents are given only vectors of interaction without reasoning and mechanisms for its implementation.

All strategies are developed for formal reasons, so in most cases they only reflect the overall development of region and the prospects for its development, and often are not aimed at real development. The analysis allows highlighting a few strategies that are unusual and creative and most importantly reflect unique characteristics of a particular territory. Many regions focused on work within the region itself or at the national level, when it comes to industries that form the national economy.

Moreover, there is still a gap in terms of substantial instructions for the content of strategies at regional level. Therefore, it is necessary to develop and adopt a common methodology of content strategies for economic and social development of regions at the federal level, which should determine the uniform methodological principles of strategies' content and to further assessment of their quality.

#### *Local and Regional Economic Development and Planning*

### **A MULTI-DIMENSIONAL TAXONOMY OF LOCAL SYSTEMS TO ADDRESS REGIONAL POLICIES. THE CASE STUDY OF TUSCANY**

**David Burgalassi, IRPET, ITALY**

**Agnese Peruzzi, IRPET, ITALY**

The paper aims to offer some critical considerations and proposal about the role, the potentials and the limitations of the notion of Labour Market Areas (LMA), in terms both of analytical units for regional development and policy units for the planning and implementation of regional policies.

More specifically, our analysis explores the concept of local development in the light of the structural changes that affected Italian national and regional economic systems in the recent years. It is often the case that regional trajectories of development have been characterized by internal heterogeneity. Phenomena such as globalization, structural change, the economic crisis and granularity have affected the structure and the economic performances of sub-regional areas, magnifying the differences within regions. This implies a critical reflection on what are, nowadays, the relevant dimensions and factors of local economic development, and how they can affect regional competitiveness and cohesion. Additionally, the identification of "local systems" (i.e. agglomerations of people and works characterized by strong internal and external links) needs to be further investigated, both theoretically and empirically.

Being framed in the Italian context, the analytical units for this study are LMA ("Local Labour Systems - SLL" in Italy), i.e. the clusters of municipalities characterised by strong functional interrelationships. LMAs have been

recently subject to a substantial revision by the Italian Statistical Bureau (ISTAT), which triggered a critical reflection.

Our study considers two main aspects. First, we analyze the spatial scope of LMAs and assess whether they might be effectively used as policy units. Given the strong ontological and epistemological complexity of the notion of LMA, it may be often the case that LMAs may not fit the geography of development, at least according to some dimensions. It might be, for instance, the case for agglomeration economies and local value chains. Second, we focus on the economic analysis of territories and clusters and propose a methodology for a taxonomy of LMAs in Tuscany (a NUTS-2 Italian Region), on the basis of a multi-dimensional database that takes into account both aggregate and individual data. The results of the analysis provide a synthetic description of the main characteristics of Tuscan LMAs, possibly identifying their strengths, weaknesses, threats and opportunities. The methodology that we propose and the results may be used in other contexts, both at Italian and European level.

#### *Urban and Regional Sustainability*

### **REGIONAL SUSTAINABILITY: A SUSTAINABILITY-INFORMED ECONOMIC, ACCOUNTING AND ANALYTICAL FRAMEWORK FOR DECISION MAKERS**

**Gary Burke, Curtin University, AUSTRALIA**

In this paper, I outline a sustainability-informed framework that facilitates a more symbiotic urban-regional relationship. I describe a sustainability-informed approach to economic policy, accounting and governance that accords with biophysical and socio-cultural limits that underpin the challenges facing governments, businesses and communities across the globe. The framework reconceptualises and recalibrates economic activity by augmenting conventional economic data with properties and attributes that better reflect sustainability parameters, principles, perspectives and processes. In addition, it provides an accounting structure of categories within a sustainability-informed taxonomy of activities. This reframing provides scope for sustainability-informed reflexive approaches to analysis of the viability of strategies for development. Sustainability-informed analysis is more realistic than 'ideal type' economism that imposes abstract notions onto real world situations. It is an over-arching dynamic framework that can accommodate the complexity and multidimensionality of contemporary issues and understandings. The conceptual structure provides workable options to overcome the 'business-as-usual' options of monodimensional neoclassical economics because it supports new ways of thinking that integrate economics within sustainability parameters (rather than sustainability fitting into economic perspectives). The accounting structure includes narratives and multidimensional data to better support management decisions for regional sustainability. Regions provide cities with the food and resources, but they are not always rewarded with adequate cultural, social and environmental returns. Indeed, in Australia, the 'best' economic regional policies have led to population decline, triggering loss of social support services, cultural decline and, in many cases, significant environmental damage. This approach provides new ways for regions to endure, regenerate and flourish -- based on robust sustainability-informed economic activities. To illustrate the practical implications of the framework I draw on preliminary results from case studies being undertaken with rural regional groups in south-western Australia.

#### *Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

### **RESIDENTIAL DIFFERENTIATION IN SPRAWLING URBAN REGIONS OF LITHUANIA**

**Donatas Burneika, Lithuanian Social Research Centre, LITHUANIA**

**Ruta Ubareviciene, Lithuanian social research centre, LITHUANIA**

The paper analyses socio-economic segregation in three metropolitan areas of Lithuania. Indexes of segregation, dissimilarity and isolation were analysed trying to reveal different aspects of socio-spatial segregation in the urban regions, which experienced major shifts in their occupational structure over the last decades. The main occupational groups were used as a proxy for the socio-economic status. Data from 2001 and 2011 censuses

was used to investigate segregation processes in the metropolitan areas and their main structural zones – urban cores and suburbs. Notwithstanding major economic and social changes of the post-communist society, most of measured indexes indicated low levels of segregation and limited changes during the analysed period. The results showed that the fastest increase of segregation was in the capital city and the richest groups of population are the most segregated, tending to live more and more separately from the other groups. The differences in the concentration of high and low status occupational groups and the changes in those patterns were illustrated in the maps. The paper reveals interrelations between socio-economic and ethnic dimensions of segregation. Most post Soviet cities have multi-ethnic structure, which was strongly influenced by interior migrations within Soviet Union. The particular ethnic structure of 3 biggest cities in Lithuania is well known but their spatial dimensions still were hidden. The changes of spatial concentration of Russian and Polish residents are analysed according the data of recent population censuses at census tracts level. Such a scale allows distinguishing the mosaic of ethnical landscape, which disappears, when areas is analysed at higher territorial levels. The previously established quite even distribution of various ethnic groups inside multiethnic cities of Vilnius and Klaipeda seems to be at least inaccurate. Our findings suppose that socio-economic and ethnic structures of these cities are closely related, therefore ethnic segregation processes are closely related to general social segregation trends. The degree of correlation of ethnic and social structures varies substantially depending on proportion of these groups in every city. It appears that higher proportion of analysed ethnic minorities in the city results in the higher proportion of lower social status residents among this minority. The degree of spatial differentiation of these groups in a city also increases in such cases.

*Local and Regional Economic Development and Planning*

## **THE ROLE OF CRAFT BEER IN REVITALISING CITIES AND LOCAL ECONOMIES IN BRITAIN**

**Ignazio Cabras, Newcastle Business School, UNITED KINGDOM**

The past century has seen high levels of concentration in the brewing industry worldwide, with several mergers occurring among major companies which have left the market in the hands of a few international companies. This process, led by resource partitioning as well as yields derived from economies of scale, resulted in a general standardisation in the global supply of beer between the 1950s and the late 1980s. The production and distribution of beer was mainly aimed at satisfying a uniform demand, with little diversification with regard to the type of product sold with a few exceptions mainly occurring at a local level.

In such a context, new businesses and entrepreneurs started to brew their beers and to develop their business strategies, based on low-scale levels of production and moderate investments. Their entrance to the industry has diversified the brewing landscape, recognised as the micro-brewing movement. Indeed in the UK the numbers of small breweries have increased significantly in the past thirty years, with many small businesses successfully able to diversify their offers and to expand their operations well beyond their local areas.

Several studies have examined micro-brewing and micro-breweries, mainly focusing on the growth occurring in specific national or regional areas and markets, or in relation to particular entrepreneurial and business models adopted by new entrants in these markets. However, little research has been conducted about the impact of new beers and brewing on local economies, and even less about the development of business strategies targeting a growing demand for diversified artisan beers.

The aim of this paper is to investigate how the revival of micro-brewing has and it is currently influencing the beer scenes in a number of cities in the UK. More specifically, the paper aims to explore and examine a group of cities which –due to the recent development of local breweries, the rise in the number of pubs and the organisation of beer festivals - have been frequently named by media and press as the national ‘Capitals of Ales’. The author uses primary information, collected between 2009 and 2015 and associated with beers’ availability, prices and level of consumption to verify a range of hypothesis aimed at testing the effects of beer-related products and activities in the considered cities. In addition, the author uses in-depth interviews with beer festival organisers in order to analyse and further evaluate the social and economic effects associated with these events at a local level.

Finding from these exercises are discussed in the light of policies and strategies in support of the British beer industry. Furthermore, findings are explored in relation to the economic impact of beer production, distribution and consumption for urban economies, and the possible implications derived for planners, local authorities and government in the UK.

*Special Session: Knowledge Dynamics and Regional Development Policy in the Transition to Sustainable Development, Circular Economy and Bio Economy*

## **CULTURALLY-EMBEDDED KNOWLEDGE PRODUCTION IN INNOVATION SYSTEM**

**Yuzhuo Cai, University of Tampere, FINLAND**

**Mika Kautonen, University of Tampere, FINLAND**

**Mika Raunio, University of Tampere, FINLAND**

This paper is aimed to develop a novel conceptual model by focusing of the new feature of knowledge production for grasping the nature of changing knowledge-based society, characterised by increasingly internationally connected innovation systems (Raunio, Kautonen, and Saarinen 2013), growing importance of global values chains (Parrilli, Nadvi, and Yeung 2013, Lundvall, Jurowetzki, and Lema 2014), ubiquitous digitalisation (Sassi 2005), high mobility of workforce/global talent (Raunio and Forsander 2009) and more intensified internationalisation of higher education (Shumilova and Cai 2016).

The most innovative element is that we will coin and conceptualise the term “culturally-embedded knowledge production” to capture one of the most important features of knowledge production in our society, which has so far received little attention from scholars and policy-makers. It particularly fill the gaps that the challenges in different sectors (such as industry, labour market and higher education) are being addressed separately and that there are lacking effective frameworks for integrating the issues in different sectors together.

Our conceptualisation of the concept of “culturally-embedded knowledge production” is stranding on the existing literature, in which a prevailing view is that many aspects of contemporary societal challenges are ushered by the transformation of knowledge production from “Mode I” to “Mode II” (Gibbons et al. 1994) and even towards “Mode III” (Carayannis and Campbell 2012). While, “Mode I” of knowledge production refers primarily to basic university research on disciplinary basis, “Mode II” knowledge production tends to be more focus on knowledge application and knowledge-based problem-solving involving the following principles, namely “knowledge production in the context of application”, “transdisciplinary”, “heterogeneity and organisational diversity”; “social accountability and reflexivity” and “quality control” (Nowotny, Scott, and Gibbons 2003). By proposing the “Model III” as an extension from Model I and Mode II, Carayannis and Campbell (2012) argue that knowledge production system is the nexus where people, culture and technology meet. Accordingly they suggest to add the fourth Helix, “media-based and culture-based public” to the Triple Helix model (Etzkowitz and Leydesdorff 1995, 1997). Regardless of the important efforts of Carayannis and Campbell (2012) and others (e.g. Delanty 2001) to link knowledge production and cultural issues, few have explicitly elaborated the cultural dimension of knowledge production, especially on how it may affect structure of labour market, the skills is work life, growth of companies and the ways to organise education.

*Urban and Regional Theory, Methodology and Data*

## **CITY AND THE URBAN QUESTION. A REASONING ON THE LAST EPISTEMOLOGICAL CONTRIBUTES**

**Simone Caiello, Università degli studi di Milano-Bicocca, ITALY**

The debate on the nature of cities has started more than one hundred years ago, producing a series of different analysis and approaches, conceptualizations and theoretical frameworks. As common in history the scientific approaches and theories followed in a parallel journey the transformations of the society. The paper presents a reasoning on the Urban Question through the analysis of the last contributes on the issue by Brenner and Schmid and the Harvard Urban Theory Lab scholars. A double critique of the theoretical proposal of the authors and



their “seven thesis” is built focusing on the role of the space and the empirical consequences deriving from their argumentation. From the first point of view the attention to the interrelation between the Capitalist processes and urbanization is too much emphasized in the epistemological approach, producing the overlap of the two concepts, contrasting one of the basic principles deriving from the wirthian contribute: the trans-historicity of the city definition. On the empirical side we stress the strong constructivist approach of the authors, highlighting the ontological distinction between concepts and reality: their critique is so much narrowed in the critical analysis of the city and urbanism representation in the urban tradition that finally they avoid defining the urban as a distinctive element, overlapping “city/urbanism” and “society”. The apparent lack of the individuation of a specific “urban space” and so of an “urban condition”, being the urbanity extended to the whole planet, is contrasted adopting the insights from Scott and Storper’s answer to it, and their focus on the “urban land nexus”. A bridge between the two positions is finally proposed taking into account the contributes from the lefebvrerian conceptualization of the city nature and its link with people’s spaces of action and self-definition, defined synthetically as a tension towards the centrality, a space where the creative processes concentrate, and the Amartya Sen’s capability approach stressing the relevance of the accessibility to opportunities for the definition of the urbanity.

*Special Session: The Emerging City of Milan*

## **MILAN’S DEVELOPMENT TRAJECTORY: AN EXERCISE IN EXPLANATORY FORECASTING**

**Antonio Calafati, Gran Sasso Science Institute, ITALY**

The functional urban area of Milan is the largest and economically most important one in Italy. In terms of economic performances – in terms of investment, technological progress and social innovation – Milan’s urban system has played a leading role since the 1950s, profoundly influencing Italy’s national development trajectory. Milan’s urban system is one of the very few in Italy that have increased total employment in the private sector in the past decade, against the background of a stagnating national economy. It is also the Italian urban system with the most spectacular urban transformation projects in progress, as part of an ambitious globalisation strategy.

As other large and complex cities, Milan’s development potential is a function of the financial resources and the strategic capacity of a very high number of diverse private, collective and public actors. Besides, as a consequence of its globalisation strategy – rooted in the international profile that the city had already gained for its spectacular development trajectory – an increasing number of actors currently playing a key role in shaping the city’s development trajectory are ‘global players’. Milan’s overall development trajectory over the next decade and beyond will continue to be made by the intersection of numerous and differentiated investment patterns implemented by many actors deeply different in terms of size, strategic orientation and investment (and innovation potential). The question is that as a consequence of its globalisation process the type of actors playing they future – hence Milan’s social morphology and spatial organisation – is decisively changing.

The large and exemplary gigantic urban transformation projects in progress – which are the pillars of Milan’s globalisation strategy – will profoundly shape the city’s development trajectory in the next decade and beyond. Yet Milan’s development trajectory is also driven by the investment patterns of many other actors (and types of actors), which generate more spatially diffused and molecular changes. Their aggregate impact has been largely neglected so far – being the attention at local and national level most exclusively on the evolutionary changes brought about by the large and iconic transformation projects in progress. Yet these micro-processes of investment will have an equally – and possibly more – profound impact than that of the major urban transformation projects on city’s overall trajectory. These investment are partially dependent – thereby, endogenous – and partially independent from the investment associated to the city’s globalisation strategy. The paper will outline a conceptual and theoretical framework to explore the overall impact – on the system (city) and its parts (neighbourhoods) – of the investment patterns of the actors currently envisaging their future in Milan. The central why-question addressed in the paper is the understanding of the effects of the intersections among the evolutionary changes brought about by the actors’ investment patterns, which in a globalised city are shaped by a complex configuration of institutional constraints, cognitive and financial capital, and price-

related incentives. When assessed from the European Union's social preference function, as other large European cities, Milan seems to be entering a development trajectory more uncertain and indeterminate than usually pictured.

#### *Urban and Regional Sustainability*

### **RESTORING THE EURO-MEDITERRANEAN BRIDGE: TRANSNATIONAL HERITAGE AS ENGINE OF REGIONAL DEVELOPMENT**

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The Europe 2020 Strategy identifies the cities and urban areas as engines for smart, sustainable and inclusive growth. Cities and regions are therefore the places where the required action to achieve its objectives and, therefore, to implement the strategy are mainly concentrated. In other words, the cities' role in a global competition brings along a scale shift in terms of relationships system, placing the internationalization need through the establishment of transnational networks. In this context, the paper investigates the potential socio-economic impact of major advancing Euro-Mediterranean cohesion, assessing the critical elements as well as the most interesting aspects coming from the Barcelona Declaration (1995) and its implementation (2008) onwards.

In this regard, the paper examines how new approaches to the enhancement of identity resources may contribute to the creation of Mediterranean cities networks mutually increasing their competitiveness, throughout joint resources enhancement strategies. It is the case of Cultural routes, a relatively recent cultural phenomenon that led to the emergence of a new type of three-dimensional heritage: a) a spatial journey through a territory and therefore through plural local identities, b) an intangible journey with representative values, meanings, expectations, experiences, and finally c) a tourism product. Investigating the Mediterranean "historic role" of pulsating heart of the match of cultures, the paper examines how the creation of a cultural route can highlight the common roots of the region; how it can emphasize the positive valences, and it can be a key element of dialogue in this transnational panorama. Heritage becomes a resource, and an engine of regional development together with its underlying cultural diversity.

According to the Council of Europe Cultural Routes Programme, the paper stresses the role of local heritage combined with regional policies, in the sustainable development process. Cultural Routes thus enable the discovery of new destinations and shed light on forgotten or hidden aspects of the common heritage of transnational relevance. Therefore, the paper sought to examine the potential of the Cultural Routes for promoting sustainable development in the Euro-Mediterranean context, strengthening its identity, disseminating the richness of Euro-Med cultures and fostering the intercultural dialogue and mutual understanding. In conclusion, the paper reflects on how much Cultural Routes networks can benefit cities, especially in less-known destinations, where the local culture and heritage are the main resource for development.

#### *Local and Regional Economic Development and Planning*

### **FINANCIAL DYNAMICS OF URBAN DEVELOPMENT**

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Many models of urban growth which are based on a constant outward expansion from a rigid city core have succumbed to a urban reality that is much more varied and complex. The spatial organisation of cities reflects cultural, social, political and economic patterns which, viewed through the lens of time, are in constant motion. Taken altogether, all the latter characteristics project the modern urban plan as a result of a complex and dynamic system which responds to forces that are, at the same time, competitive and complementary. These movements have altered the urban infrastructure and the conversion of land use, changing the urban planning

structure. The urban centres present, as a clear example of the interrelation between those forces, a development dynamics which are marked by spaces of centralised deconcentration. Such dynamics means that a process of deconcentration is usually centralised in few urban spaces, mostly through the clearing out of some areas and subsequent growth of other, in a typical centre-periphery process.

The consolidation of specific places in the urban area do occur without any adequate planning, as a by-product of the capitalist logic of production, which is led by the effects of globalisation on regional and urban inequalities throughout the world. It is our contention that several studies on urban development have been keen to contemplate sanitary, health, education, and environment sustainability. However, very little is devoted to the comprehension of the financial dynamics of urban development. It is now fully acknowledged that financialisation processes have been gaining greater significance in the last three decades, in a context where households and firms have been increasing their financial relations and use of financial services, leaving financialisation to claim increasing shares of income. If one suggests that financialisation has regional roots, then the urban areas can also be thought as influenced by the logic of financial capitalism. Therefore, the urban space must change in accordance to the increasing unequal financial trend, which in turn must be considered for the comprehension of the urban development and the elaboration of cities' development plans. Financial capital takes over spaces, mimicking its valuation objectives, generating a urban dynamic that increasingly promotes inequalities, less democratic and less egalitarian cities. Thus, this paper objective is to discuss such perspective, offering arguments to consistently relate the dynamics of financial capital (financialisation) and the urban space. It will be first argued that financialisation follows an centralisation logic, with highly specialised services being offered at central places in the urban space, and less complex services with a more dispersed pattern. This characteristic promotes the centralised-deconcentration effect on the urban structure: dispersed services as urban amenities reduce transport costs and improves urban balance in few places, while complex services and valuation methods, often of speculative nature, is usually highly centralised, therefore promoting unbalanced (centre-periphery) urban development. In order to understand the balance between these two effects, this paper proposes a empirical study over localisation of banks and land valuation in the metropolitan area of Belo Horizonte, in Brazil.

*Climate Change, Sustainability and Mitigation*

## **GOVERNANCE NETWORK TOPOLOGIES AND CLIMATE CHANGE ADAPTATION: THE CASE OF FLOOD RISK MANAGEMENT IN AUSTRIA**

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Global warming has been indicated to be unambiguous and human influenced. One of the predicted consequences of climate change is the increase in both the intensity and frequency of extreme weather events, including floods. In Europe floods have turned out to be more frequent, and flash floods are considered one of the most noteworthy natural hazards in Europe, being a potential risk to life, buildings and infrastructure. The surge in the frequency of floods events and the increasing economic impacts associated with them has been one of the factors which has prompted the European Commission to put forward directive 60/2007 (the 'Floods Directive') with the objective of reducing and managing the risks posed by floods to human lives, health and economies. The directive requires Member States (MS) to: a) carry preliminary risk assessment by 2011 and identify river basins and coastal areas at risk of floods; b) to elaborate detailed flood risk maps for the identified areas by 2013; c) to produce a comprehensive flood risk management plan (FRMP) by 2015. The 'Floods Directive' represents one of the EU initiatives to promote resilience to climate change in Europe by fostering adaptive capacity. The objective of this paper is to characterize the governance structures with respect to the management of an important climate change impact. The paper uses social network analysis (SNA) to characterize the governance structure associated with the elaboration of the Austrian FRMP. The existing literature on adaptive capacity in SES indicates that governance structures should allow switching between two alternative modes: (1) maintaining the diversity necessary to prepare for change (e.g., favoring decentralization) and (2) promoting centralized coordination necessary to respond to changes. The configuration that best serves these purposes is one of a network partitioned in a number of modules (to provide diversity) densely connected

within them with a number of bridging ties connecting across them (to provide coordination and promote collective action). Empirical studies looking at the adaptive capacity of alpine villages in Switzerland in response to climate change and urban ecosystems ability to provide ecological services confirm this. Maintaining a tie to another organization or individual entails a cost, the number of ties each actor can maintain are therefore limited. As a result, high local densities are often coupled with a scarcity of bridging ties. This can lead to the break-up of information flows or the creation of bottlenecks at times of crisis. So, an optimal network structure involves the right amount of redundancy (local high density) and global interconnectedness. This can be seen as seeking an optimal mix between bridging and bonding ties. Our preliminary results, which look at a number of metrics reflecting various measures of centrality, brokerage and modularity indicate that the governance structure associated with the elaboration of the Austrian FRMP is apt at addressing coordination problems and exhibit a certain level of modularity. Policy interventions should therefore be aimed at reducing the vulnerability of the network to the removal of very central actors and increase decentralization.

*Austerity (Risk and Resilience)*

## **LOCAL RESILIENCE POTENTIAL – THEORETICAL FRAMEWORK AND METHODOLOGICAL CHALLENGES**

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The concept of resilience, that has gained much attention recently, describes how various systems respond to shocks. Although it has been established in the ecological sciences for some time (Holling, 1973), it is still vague and often referred to as a ‘fuzzy’ concept (Markusen, 2003). In social sciences it was the recent recession that shifted the focus towards socio-economic resilience, resulting in a large number of empirical studies, also at local level. Most of them investigate socio-economic resilience through analysing reaction of territories to a shock manifested by GDP, unemployment rate or tax revenues dynamics. These kind of studies are like waiting for the disease to check if the vaccinated organism is resistant to this disease. It is not an investigation of resilience, but it’s manifestations. However, for cities and local communities much more important seems to be resilience potential. It is a system’s inherent feature, not necessarily clearly revealed, defined as an ability to undertake adaptation actions in a timely and effective way. Identification and analysis of this potential is much more difficult than investigating system’s reactions to a shock, since potential - by its very nature – is latent and does not manifest itself in simple indicators. Going back to the aforementioned analogy, identification of the resilience potential is like a test detecting antibodies in the blood to check if an organism is disease resistant. The paper presents a methodological proposition of measuring resilience potential at the local level by identifying features that built adaptive capacities of local actors and their networks. As a starting point of the study three complementary perspectives on the resilience concept were used. The first are, proposed by Bruneau et al. (2003), four dimensions of resilience: robustness, redundancy, resourcefulness, and rapidity. The second – three principles that constitute resilience according to Keck & Sakdapolrak (2013): persistability, adaptability, and transformability. The third – an institutional dimension of regional resilience described by Boschma (2014): conditions of actions and interactions between actors, coordination, strategic choices, and institutional adaptability. As a result for main pillars of local resilience potential were identified: knowledge, strategic planning, co-operation, and functioning of institutions. Each of these elements is further detailed and operationalized. As an example of practical application of these approach and methodology, empirical results of the study conducted in communes of the Polish capital region are presented. The study revealed that resilience potential of the communes is diversified and rather low in all four areas, especially when more complex, anticipative and non-routine solutions in more challenging areas are to be considered.

**REGIONAL DEVELOPMENT TRANSFORMATIONS UNDERSTOOD THROUGH THE FRAMEWORK OF THE SOCIAL PROCESSES**

**Victor Cepoi, School of Advanced Social Studies, SLOVENIA**

The primary focus of the paper is to understand that the process of innovation is not only economic driven, but also to highlight that other processes or mechanisms matter. Even if the research on innovation processes has been extensively researched, some issues still remained unresolved, considering that there are still existent inequalities in terms of level of innovation development between countries and regions. In present, modern societies and economies progressively are more linked to innovation processes. As a result, the role of innovations is to enhance social processes on different levels and involving various actors. The innovation process is in a constant evolution, which induces the creative processes, highlighting that “ideas matter” for regional development performance. Because of the complexity of the world, and increasingly blurred boundaries between local and regional level societal changes occur in a more dynamic setting. Being exposed to the more fluid and changing structural setting in which the innovation processes occur by highlighting the condition of adaption and adjustment of actors and social environments. Following this line of argument, the innovation aspect of being a collaborative and social achievement comes at forefront. The main focus here will be on the more recent advances in the framework of new economic sociology. The research question is whether other aspect than the economic ones, can be used to explain innovation processes as outcome. Factors that influence particular social environments to become a trigger to innovations to emerge and contribute to the existence of an innovative society are at forefront. Additionally, mechanisms through which they contribute to regional competitiveness via enhancing or limiting individual and collective actors have to be considered. In this regard, the paper deals with the transformative social processes on regional levels, where at forefront are the interpersonal relationships and the way agents structure various economic processes or the institutional architecture of the formal and informal rules of the system.

The analysis begins with conceptual debate with the purpose to develop theoretical concepts. On the basis of the theoretical considerations and data from various reports (Global Competitiveness Report, Innovation Union Scoreboard, World Competitiveness Yearbook, etc.) we suggest a model that relies on social forces developed within the theory of social fields, such as network topography, institutional rules and cognitive frames, which are at the forefront. Additionally, the aim of the paper is to focus on other indicators that measure the three social forces that have been previously proposed in various researches, but also to explore their effects on innovation process as outcome.

As a result, the determinants of innovations are mainly considered on a macro level referring to national social fields. The results show that in order to explain the innovation process as outcome, social networks, institutional rules and cognitive frames have to be considered.

**PLANNING POLYCENTRIC CITY-REGIONS IN CHINA: EVIDENCE FROM GUANGZHOU AND NANJING**

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**David Shaw, University of Liverpool, UNITED KINGDOM**

Since the 1990s, urban spatial restructuring in China has been driven mainly by price mechanisms induced by land reform. Correspondingly a number of metropolitan regions have been indeed transforming themselves from single centered, centralized structures into more polycentric spatial structures. Towards the end of 20th century, a terminology, polycentricity, was introduced as a new planning concept into China. Subsequently a number of super/mega city regions began to apply polycentric development spatial planning strategies designed to better facilitate more sustainable and balanced development. This paper seeks to identify the main differences in the understanding and promotion of polycentricity in China compared with Europe. The empirical part of this paper focuses on two case studies of Guangzhou and Nanjing, which are at different stages of polycentric metropolitan development, based on a detailed review of key planning documents and interviewers

with key actors. Three periods of strategic plan-making are explored and evidence emerges that more recently the reasons for applying polycentricity have changed from political strategies mainly promoted by national policies, to primarily a means to strengthen regional competitive capacity and promote locally independent polycentric models. Both horizontal and vertical conflicts in plan-making as well as the challenges of delivering polycentricity are highlighted. In conclusion it is argued that, although the terminology of polycentricity is relatively new in China, it has already become a normative approach used to determine future spatial structures and a strategic planning tool to balance development opportunities; however, there has not yet been a theoretical framework to figure out important issues regarding polycentricity within the Chinese context, nor has an effective political guidance regulating sustainable development yet been developed.

*Urban and Regional Theory, Methodology and Data*

## **TESTING ECONOMIC GROWTH CONVERGENCE (OR DIVERGENCE) IN GAUTENG CITY-REGION, SOUTH AFRICA**

**Koech Cheruiyot, Gauteng City-Region Observatory, SOUTH AFRICA**

Reducing income inequality continues to be one of the key challenges facing the South African (SA) government since the advent of democracy more than 20 years ago. In spite of the implementation of several policies and programmes, such as Spatial Development Initiative, New Growth Path Strategy, and the National Development Plan, which are specifically targeted at addressing inequitable “spatial” development, inequalities remain a key feature of SA’s social and space economy (Nel and Rogerson, 2009; Government of South Africa, 2010; South African Cities Network, 2011; NDP 2011). For example, Naude and Krugell (2003, p. 477) highlighted that “only 20% of places (towns and cities) produced 82% of SA’s gross domestic product (GDP). The richest 20% of places had an average per capita income in 2000 of R25 277, compared with an average per capita income of R5 452 of the poorest 20% of places.” Recently, the South African Cities Network (2011) showed that nine large SA’s metros contribute up to 60% of the nation’s GDP. Even more worrying is how the five largest metros (Johannesburg, Tshwane, Ekurhuleni, Cape Town, and eThekweni) and the three Gauteng metros (i.e., Johannesburg, Tshwane, and Ekurhuleni) together account for 52% and 32% of the national output, respectively.

The neoclassical’s growth model predicts that through long-run interrelationships of factors of production and other socio-economic variables, poor localities, or regions, will grow faster than rich ones. This leads to a convergence in economic characteristics over time. Using census data from Statistics South Africa, the paper tests this assumption and assess to what extent incomes in poor wards have converged towards incomes in richer wards over the period 1994-2011. It employs spatial econometrics techniques to obtain Moran’s I scatter plot as well as measure beta and sigma convergences. As part of exploratory spatial data analysis, global and local Moran’s I will assist in revealing possible spatial dependence and pockets of clusters of income prevailing in the data. Measuring beta and sigma convergences will answer the questions whether poorer localities are catching up to richer localities and whether the distribution of incomes among localities is becoming narrower overtime, respectively. Implications for policy will be suggested.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **PROBLEM OF PATH DEPENDENCY IN REGIONAL DEVELOPMENT IN NON-CORE REGIONS: "TROUBLE" PERSPECTIVES OF DEVELOPMENT OF SPECIFIC TYPES OF PERIPHERIES IN CZECHIA**

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**Vít Jancák, Charles University in Prague, CZECH REPUBLIC**

The contribution presents selected results of research on development of spatial polarization in Czechia and intends to ascertain that spatial development is conditioned by a whole complex of factors. Major theoretical concepts regarding peripheries of different types and at various spatial aggregation levels are evaluated by the Czech example. The authors approach the centre and periphery model under the aspects of development, structure, hierarchy and scale.

Paper concretely focuses on:

1) the relationships between the changes of administrative borders and the peripherality of space on the territory of Czechia since the mid-19th century (discusses the role of changes of administrative borders in Czechia in the process of spatial polarization on the base of identification, analysis and evaluation of areas that changed their administrative affiliation; assesses the importance of borders of regions in the context of problems associated with the development of peripheries).

2) the stability of local elites and their influence on the development of municipalities in Czechia (to prove a dependence between stability of local elites and population of the municipality; to find if there is statistically significant dependence between stability of local elites and selected development factors; to identify spatial patterns of high and low stability of local elites).

3) the exploration of regional differences in social capital in typologically diverse peripheries and reaffirming existing dichotomy: continuously settled versus resettled territories, inner versus outer peripheries respectively. It was possible to identify territories near especially regional borders, which frequently changed their affiliation to hierarchically higher centers, went through specific development in terms of territorial administration and formed relatively large areas of inner peripheries – internal borderland. Social capital can be seen as an instrument in the activation of endogenous development potential of local communities, especially in peripheral regions. For formularization of future development perspectives of peripheries it is substantial to take into account not only a current socio-spatial context but particularly historical development of problem regions.

*Innovation, Agglomeration, Evolution*

## **INNOVATION PERFORMANCE IN EUROPE'S LAGGING REGIONS – 1994-2013**

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**Frank Peck, University of Cumbria, UNITED KINGDOM**

This paper is a follow-up to presentations at the RSA Winter Conference 2014 and RSA Annual Conference 2015, which presented an ongoing doctoral research project investigating the “regional innovation paradox”. This paradox, first referred to by Oughton et al (2002), describes “... the apparent contradiction between the comparatively greater need to spend on innovation in lagging regions and their relatively lower capacity to absorb public funds earmarked for the promotion of innovation and to invest in innovation related activities, compared to more advanced regions” (Oughton et al, 2002, p. 98). The regional innovation paradox has received renewed interest in recent years through analysis in the EU’s Regional Innovation Scoreboard (2012, 2014) and through research carried out by Muscio et al (2013). Proposed solutions to this paradox, such as improved institutional or governance capacity, are also often grounded in the concept of “regional innovation systems”, which has been prominent in academic debate since the mid- to late-1990s. However, review of the literature on the paradox and on regional innovation systems generally demonstrates the complex nature of issues that influence the ability to absorb investment and use it effectively, which merits further research.

The doctoral research, therefore, makes a contribution to the existing body of research and debate by examining some evidence for the regional innovation paradox in lagging regions and developing a critique of some of its assumptions.

Key research objectives are to examine:

- the relationship between changes in levels of investment in R&D/innovation and changes in innovative performance in lagging regions;
- how public/EU funds have influenced R&D and innovation policies and practices in lagging regions;
- to what extent policy and institutional structures influence the relationship between levels of R&D/innovation investment and innovative performance in lagging regions.

The methodology adopts a mixed methods approach that uses quantitative and qualitative techniques. Stage 1 of the research presents an empirical analysis through review of indicators of innovation activity and performance for lagging regions, principally from a dynamic rather than static perspective (i.e. how performance has changed over time), covering the 1994-99, 2000-06 and 2007-13 Structural Fund programming periods. However, Stage 1 has also sought to identify lagging regions whose innovation activity and performance over time might provide interesting candidates for deeper, more qualitative case study analysis of issues underlying the paradox. Stage 2 of the research, in turn, adopts a more interpretive approach to exploring the nature of the paradox, based on such case study research of two lagging regions, which provide varying evidence of innovation performance and an opportunity to test assumptions that are implicit in the paradox.

Findings to date, from a sample of over 20 lagging regions studied, allow regions to be grouped into higher performing and lower performing categories, especially for growth between the 1994-99 and 2000-06 periods. Furthermore, higher performing regions in the sample have tended to be Spanish regions, which typically also display better “knowledge capital”, better governance ratings and higher (recent) GDP growth, whereas lower performing regions have tended to be Italian and Portuguese regions. Further case study research, meanwhile, will focus on Galicia in Spain and Puglia in Italy, and thoughts on case study methodology and preliminary findings from this research will be shared at the conference.

*Urban and Regional Theory, Methodology and Data*

## **METHODS OF ECONOMIC GROWTH DECOMPOSITION: A COMPARATIVE ANALYSIS**

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Regional economic analysis includes the identification of the main determinants of the local growth (or stagnation). In other words, one of the purposes of regional analysis is to identify whether the sources of economic growth (stagnation) are related with specific features of the locality or whether these sources represent a broader pattern, determined by the dynamics of the reference economy. Several methods had been elaborated to identify the components of regional economic growth according to the features of the local production structure. This paper analyzes the main characteristics of three methods used to study regional economic dynamics: (i) shift-share analysis, (ii) input-output analysis, and (iii) computable general equilibrium models. The aim of the paper is to describe the main characteristics of these three methodologies in a regional aspect, as well as to perform a comparative analysis of them. We intend to emphasize the importance of the methods to regional analysis, highlighting the relative improvements provided by each methodology. The main purpose of the shift-share analysis is to identify the components of regional economic growth according to the evolution of the local production structure between two periods. This methodology analyzes whether the economic growth occurred due to the existence of dynamic sectors in the region (whose growth rates are higher than the overall growth rate of the reference economy), or whether the economic growth occurred due to the increase of the local share in the reference economy, without dynamic sectors in this locality. The shift-share analysis includes aspects of the Location Theories, as hypothesis of minimum transportation costs, increasing returns to scale, existence of competitive and comparative advantages, etc. The dynamics of regional growth is divided into three components (regional, structural, and differential). To sum up, the shift-share analysis investigates the impacts of structural changes on the local production sectors. The input-output analysis, in its turn, provides the conceptual and methodological bases to the study of the intersectoral relations and of the regional development, whose theoretical basis is the Leontief matrix. The input-output model supports to carry out an empirical analysis of the interdependencies between the different sector of the economy. In other word, the input-output model is an application of the Neoclassical Theories of General Equilibrium to the empirical study of related economic activities. This is a broader analysis than the shift-share models: the input-output analysis interprets local economy as a structured and interdependent system. The economic dynamics is described by relationships of demand and supply in a complex network of activities (internal production, imports, exports, investments, household consumption, government, etc.), in which it is possible to identify the degree of sectoral dependence. The build of the input-output matrix requires a high level of technical sophistication. Recently, a new modeling method based on Computable General Equilibrium (CGE) has gained space in works that seek to understand the factors that influence disparities in regional growth rates. CGE



models have detailed ex-post analysis techniques and are founded on a quite comprehensive theoretical structure. Compared to alternative methods of ex-post regional growth analysis, the focus on multiregional CGE models has allowed for a gain in the identification of the growth factors of economies. Therefore, it is possible to ascertain that the historical movements in regional economic variables are the result of changes in structural variables, based on a theoretical model and database.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **OVERCOMING CONVENTIONAL STEREOTYPES IN RURAL REGIONS WITH DEPOPULATION IN AUSTRIA – ENABLING NEW PERSPECTIVES OF SOCIAL INNOVATION**

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The development of rural regions is often been characterized by weak economic performance and negative population development, mainly due to strong and continuous out-migration from rural towards urban regions. While such trends might be true for a big number of rural regions and specific periods, Western European countries increasingly show an altered demographic development where no population losses appear over greater parts of rural regions. This turn in the demographic development is mainly due to increasing immigration towards European regions. However, not all rural regions can benefit at the same rate from this new trend and there is a substantial number of rural regions, particularly in peripheral locations, that show persistently negative population development up to now. Moreover, population trends seem to remain the same also in the future and scenario calculations estimate further population decline in those regions.

Thus, a national research project commissioned by the Federal Chancellery in Austria has the task to investigate new approaches to deal with economic and social development processes in these rural regions. The analysis addresses the theoretical concepts to explain uneven development processes, with a specific focus on divergent development in rural, peripheral regions and aims at enhancing perspectives that address the negative downward spiral of population loss in rural regions. It defined about a third of Austrian regions as affected by negative development trends (over the last decades) and underlined the enduring character of the negative development for these regions. Even within the group of regions with a negative demographic trend we can observe considerable differences in economic performance, income development and well-being indicators of local population.

The paper will present the findings of the study that aims to support the discourse of a working group established with the task to focus on rural regions with population loss. Taking account of the long-term negative experiences of actors in these regions it seems particularly difficult to escape from the negative trends. A series of analyses will therefore address the scope of reasons leading to the present situation, the limitations in development options and main drivers of weak attractiveness of the regions as well as considerations on perspectives. It is apparent that discussions on future development have to go beyond strategies looking for economic growth, but have to reestablish trust, the wide scope of preconditions for social innovation and new visions for enhanced participation of local actors. Such a mobilization approach must not deny the significant challenges of these regions, but has to take a new perspective that is inclined to interrelate with other regions and actors and to take up new ideas.

*Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

## **LOCKED BY SPATIAL STRUCTURES? SPATIAL RESILIENCE IN TIMES OF AGEING**

**Pascal De Decker, Fac. of Architecture KU Leuven, BELGIUM**  
**Elise Schillebeeckx, Fac. Architecture KU Leuven, BELGIUM**  
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Rapid demographic changes do not only defy our land use practices, but also challenge the way we have been organizing and structuring our space in the past decades. As a reaction, international research centres and governmental bodies are urging the nation states and local communities to increase their spatial resilience. In

this paper we examine the resilience of the Belgian spatial structure when it comes to an ageing population. We do that in four steps. First we critically analyse resilience thinking. Since the concept has its roots in ecology, it needs adjustments to be useful for analysing social systems. Following the critique we elaborate on the concept of resourcefulness. Resourcefulness emphasizes the unequal distribution of resources within and between communities and focuses on the needs, goals and capabilities of the local community. In part 3 we formulate criteria necessary to assess the resourcefulness of the spatial organisation for an ageing population, thereby using an environmental gerontologist frame. This allows us to draw conclusions about the resilience of the Belgium spatial organisation regarding its ageing population in the last section of the paper.

*Local and Regional Economic Development and Planning*

## **A CAUTIONARY TALE OF TWO 'TIGERS'. INDUSTRIAL POLICY 'LESSONS' FROM IRELAND AND HUNGARY?**

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**David Bailey, Aston University, UNITED KINGDOM**

**Helena Lenihan, University of Limerick, IRELAND**

This paper draws industrial policy lessons for small Central and Eastern European states through a critical evaluation of recent Irish and Hungarian experiences. With ongoing EU expansion, much attention has focused on the impact of the new member states (NMSs) on economic performance and adjustment within the EU. At the policy level, in recent years the Lisbon 'Growth and Jobs' agenda has emphasized the role of foreign direct investment (FDI) attraction, as promoted through a combination of flexible labour and product markets and low corporate taxes.

The paper outlines a 'holistic view' of industrial policy before exploring the experiences of the two economies. Whilst now regarded as 'back on the agenda' at state and EU levels, the theoretical rationale for industrial policy (IP) has traditionally been studied from a 'market failure' perspective. More recently, however, this mainstream 'conventional' take on IP has progressed to become increasingly concerned with creating appropriate 'enabling framework conditions' for firms and sectors to start up, develop and innovate.

The paper then turns to the Irish and Hungarian experiences. Whilst both have managed to 'do' policy well in some regards, substantial challenges remain in making FDI attraction the centrepiece of industrial policy, as has been highlighted recently. Whilst acknowledging the potential merits of FDI for economic development in both Ireland and Hungary, the limitations of FDI-led growth were increasingly, if belatedly, recognised. Ireland was extremely vulnerable to the US economic downturn, given its very large reliance on US-based FDI (and the construction sector). As such, in the crisis and 'post-crisis' period, Ireland has suffered from competition for FDI from emerging economies with lower wage and other costs, notwithstanding the positive contribution of FDI to job creation in Ireland post-crisis.

Similarly, Hungary, which enjoyed an initial advantage over its neighbours, also 'lost out' as it had to scale back the generous platform of assistance it provided to TNCs as part of its EU membership requirements. In this context, the apparent failure to achieve any significant spillovers from the FDI sector to the indigenous sector in both countries (outside of the IT/software sector in the case of Ireland) only reiterates the need to facilitate domestic capacity and innovation.

Overall, the paper suggests that wholesale emulation of the Irish and Hungarian approach is problematic for small open CEE states, and that more balanced approaches to development - and hence industrial policy - are warranted.

**Matteo Del Fabbro, Gran Sasso Science Institute, ITALY**

The “metropolitan region” of Milan is a good example of the contrast between socio-economic integration and political fragmentation within urban agglomerations. Notwithstanding early spatial and economic development, as well as meaningful attempts at regional planning, Milan urban area is currently not endowed with arrangements of institutional integration. The discrepancy between territorial interdependences and political geography is intrinsic to urbanisation process. This mismatch has consequences on the political actors' decisional processes, that may concern spatial developments and policy implementation with a systemic, ie metropolitan, relevance. This paper addresses the ongoing changes of the political-institutional system inherent to Milan urban agglomeration, and argues that exogenous and endogenous changes are shaping a “window of opportunity” for a higher level of institutional integration to emerge.

The paper draws on literature on metropolitan governance in Europe of the last two decades and takes into consideration the conditions that are regarded as necessary for a metropolis (a functional territory) to assert itself as a collective actor (a political territory). These conditions include: an institutional frame, a local political elite autonomous enough from national party politics, an available regional planning “toolkit”, and a mobilisation of private actors. Provided that these conditions are gathered, it is noted that important theoretical limitations remain on the concept of the metropolis as a collective actor. These limitations include: the role of informal institutions, the permanence of sub-metropolitan territorial divisions, the unavoidable mismatch between agencies and constituencies, and the variety of socio-economic dynamics that drive metropolisation. The paper illustrates some trends relative to the institutional frame, the local political class and the available regional planning tools in the metropolitan region of Milan in the last two decades. These trends point to low institutional integration: the competing interests and strategies of both the lower and upper administrative tiers (Comuni and Regione) contributed to an institutional lock-in, a situation that indeed is recognised as a possible outcome of territorial rearticulation in Europe, by empirical research.

Recent exogenous and endogenous changes in the institutional, political and technical spheres are described. First, a metropolitan authority (Città metropolitana) has been put in place by the national Government; this authority has been recognised by the Region through its legislation, while the Core city has proceeded to rearticulate its internal administrative structure. Second, the possibility is still open that the core City be governed by a local political class with a significant degree of autonomy from national politics. Third, the “special event” of Expo 2015 has pushed local actors to adopt potentially innovative practices of governance and urban planning. These changes allow to argue that a window of opportunity has opened for the increase of institutional integration at the scale of the metropolitan region or city-region.

**Laura Delponte, CSIL, ITALY**

The role of culture and tourism for the European economy is acknowledged by the EU regional policy. During the 2007-2013 ERDF programming period, nearly EUR 13.5 billion of funds were allocated to culture and tourism, which roughly corresponds to 5.7% of the total ERDF funds. The paper is built on the ex-post evaluation of Cohesion Policy programmes for the period 2007-2013 targeting the culture and tourist sectors. Drawing upon a combination of documentary, data analysis, and field-work, the evaluation looks at the overall strategic coherence and relevance of measures supporting the two sectors, as well as at the effectiveness of the co-financed interventions. In the context of this evaluation, this paper presents the case study of the French region of Rhone-Alpes, as an interesting example of using European funds for tourism and culture as a driver of both socio-economic development and social cohesion. In Rhone –Alpes this was achieved by linking the ERDF funds to the regional tourist strategy, which prioritizes the emergence of new tourism patterns based on local, green

and slow tourism. A key objective of the Rhone-Alpes tourism strategy was to promote a more balanced territorial development of the regional tourist sector by stimulating the development of niche products and innovative tourist marketing instruments, as well as creating an inclusive tourist offer for people with disabilities or low income groups. Cities and urban areas alike benefited from this approach, that moved away from past practices of building upon the region's well-known tourist assets (i.e. the ski resorts in the Alpine region and the Ardeche gorges). In particular, the unexplored regional cultural tourism potential was supported in combination with the consolidated image of the region as a destination for outdoor and recreational activities. While rural areas with an emerging tourist potential received the largest share of funding for tourism as an instrument of economic diversification and economic regeneration, cities were the major target of interventions in the culture sector. The latter were geared towards building a regional identity upon the Rhone river and mostly benefited local cultural associations. Most of the projects implemented would have never happened without a combination of domestic and European funding, given the lack of interest from the private sector to support projects with uncertain returns. Overall, the ERDF measures supporting the tourist and culture sectors allowed to provide financing to areas of the region that generally receive little support from other ERDF measures. This somehow helped to counterbalance the natural geographical concentration of funding in already highly developed and competitive areas.

#### *Leadership and Governance*

### **LOCAL GOVERNMENT ACTIONS TOWARDS INNOVATIVE REGION- LOWER SILESIA CASE STUDY**

**Niki Derlukiewicz, Wrocław University of Economics, POLAND**

**Anna Mempel – Śnieżyk, Wrocław University of Economics, POLAND**

The European Union presented its vision of a European market economy in the strategy initiative Europe 2020, which aims to confront structural weaknesses through employing three mutually enhancing priorities.

The authors of the article concentrated on the one of them: smart development based on knowledge and innovation. They also analysed these issues in relation to one of the Polish regions - Lower Silesia.

The article considers the activities of regional authorities, taking into account the fact that the EU calls for the creation of a strategic and integrated approach to innovation which will maximize European economic potential, as well as the domestic and regional potential of particular countries in terms of research and innovation. The long-standing interest in innovation, both at the level of European Union, as well as the level of member states and particular regions still remains one of priorities in the context of influence of innovation on socio-economic development. This is reflected in numerous strategic works and financial support programmes in the field of innovation aimed at countries, regions and companies. In the literature, besides domestic guidelines or those coming from the EU, the role of regional authorities is stressed as an important factor in boosting innovation.

One of the typical activities undertaken by local authorities regarding the improvement of regional economy in the scope of innovation was preparation and then implementation of regional innovation strategies, and then smart specialization strategies. The process of identifying smart specializations requires the participation of key partners and firms in the area of innovation: co-operation between firms, R&D institutions, universities. Currently, more and more attention in regional and spatial policy is paid to supporting the development of connections between economic entities, authorities, the business environment sector as well as R&D institutions. It is worth to add that clusters are a bridge towards innovation policy, they contribute to regional development, help create synergy between companies, universities and R&D units and react to market possibilities. This is why clusters are "helpful" in identifying the most promising areas of specialization in a given country or region. Thus, clusters are elements of regional smart specialization strategy through allowing political decision-makers to streamline and direct the policy towards so-called "development through innovation". In view of the above, clusters are discussed in a significant part of the article as a key element of identification of smart specializations in the region.

Due to the importance and topicality of the above-mentioned issues, the authors decided to focus in the article on presenting activities undertaken and faced by the Lower Silesian region in the context of pro-innovation changes. The authors are aware of the multitude of aspects connected with implementation of innovation policy. Thus, the article also concentrates on activities of local authorities connected with innovation policy.

**Giulia Desogus, Architect, ITALY**

**Pasquale Mistretta, University of Cagliari, ITALY**

Project presentation:

The issue of urban metabolism is extremely topical and not only for the experts: it is important to underline that the metabolic process involves on the one hand the ecosphere and its components (air, water, energy, pollution) and from another hand the spontaneous evolution and planned city.

Therefore the analysis on the metabolism in the suburbs seen as the focusing of vital energy, can allow you to show the effectiveness of the values of the territory, as geo-community, with the potential emerging from the urban fabric. So we have to interpret the problem of the "suburbs" often disaggregated than the city in which, with built "popular" are preserved "pieces" of rural life without looking towards the economic recovery, due to the instability of production factors and markets.

The metabolic process that characterizes these places not only involves the problematic urban construction and environmental but, more particularly, it causes mutations both consolidated urban habitats both the traditions of rural life.

The feasibility of the context described above should be assessed for urban issues through the norms of a smart city with which one can measure the ability to use the collective resources and to educate citizens for an optimal level of wellness. On this basis you can choose the guidelines to support decision-making competence of the local government.

Research tools:

The project will proceed in accordance with to two areas of research:

1) Analysis of the environmental impact relative physical, human, aesthetic and organizational values. And prepare land use/landscape strategies to best avoid constraints, mitigate impact and take advantage of environmental opportunities for each of the options available. In other words, act like smart city, it allows you to use its conventional indicators (mobility, economy, government, Environment, People) in an integrated way to know and understand the strengths and weaknesses of the urban and rural land changing to study strategic processes more suitable for the aspects of governance.

2) The application of the above indicators, which must be integrated with interactive technology to improve the multilevel place-based governance; this will enable a strategic approach to the management of a city. In this framework it will be possible to measure and evaluate the ability to use the collective resources by involving the population concerned with the purpose of use of places like community property.

Objectives and expected results:

The result of the analysis of the context explained above allows you to understand the extent to which a metabolic process (on a dynamic mediation of the rural world with the city) can produce effects on the fabric of the city and the suburbs to become a source of identity integrated. Without discussing the founding values of the historical evolution of the city and the nearby countryside, we must ask ourselves as a strategic objective modes structural and typological to govern the use of land for urban-rural fringe even in the absence of careful planning to address social and economic than those of the draft plan. This is crucial to avoid the settlement confusion that characterizes almost all expansion areas of major cities.

**MISSED OPPORTUNITIES IN POST-EARTHQUAKE RECOVERY: LITTLE MUNICIPALITIES' RECONSTRUCTION PROCESSES IN ABRUZZO (ITALY)**

**Grazia Di Giovanni, Gran Sasso Science Institute, ITALY**

In 2009, Abruzzo region was shocked by a severe earthquake, damaging the city of L'Aquila and other 56 minor municipalities (known as "seismic crater"). To foster regional re-planning was among the main aims of the special legislation promulgated to lead the reconstruction processes, with the purpose of assuring socio-economic recovery and urban renewal beyond the physical reconstruction of the built environment. The promotion of inter-municipal cooperation was a basic pillar of the policy, to strengthen or transform the existing links between L'Aquila and the minor towns. These objectives had to be assumed and endorsed also by the reconstruction plans, planning tools introduced to manage the reconstruction process. The collective aim was to avoid the social and economic decline that characterized previous post-disaster development processes in Italy.

Italian Government launched a "National Strategy for Inner Areas" to promote local development in fragile areas characterized by difficulties to access to essential services, demographic decline, distance from urban centres. Remote and ultra-remote areas host more than 7% of the total population. The strategy moves from a classification of Italian municipalities based on the physical accessibility to major cities and principal services. With reference to this classification, 44 municipalities of the seismic crater are labelled as inner areas (26 categorized as intermediate areas, 18 as remote areas). Nevertheless, currently L'Aquila's territory represents an "anomaly" in this framework: the post-earthquake reconstruction process and related funds have offered an out-of-ordinary opportunity to promote local innovation and new development.

The study proposes an analysis of the contents of the reconstruction plans, looking for projects and activities aimed at promoting local development, besides the rebuilding of urban fabrics. The purpose is to outline the ongoing status of implementation and financing of the plans' strategies and policies. Despite the principles launched by the legislative framework established after the earthquake, nowadays Abruzzo recent history appears as a missed opportunity in enhancing local systems and networks and in improving territorial overall resilience: to rehabilitate the spread building stocks is recognized as the priority of the reconstruction, disjointedly by a systemic recovery of social, economic and territorial capital.

*Urban and Regional Sustainability*

**LOCAL-GLOBAL KNOWLEDGE SOURCING: THE CASE OF AMSTERDAM'S DENIM CITY, AN OPEN INNOVATION PLATFORM**

**Lori DiVito, Amsterdam University of Applied Sciences, THE NETHERLANDS**

**Zita Ingen-Housz, Amsterdam University of Applied Sciences, THE NETHERLANDS**

For a variety of reasons, firms are increasingly collaborating with multiple stakeholders and sourcing knowledge, expertise and capabilities across international borders. Prior work in the innovation systems literature shows that the clustering of knowledge resources is locally embedded in various actors and institutions and that geographic proximity aids the transfer of highly tacit, sticky, locally-embedded knowledge that does not travel easily across borders. Accordingly, cities and metropolitan regions develop specialized (technical) knowledge and expertise in industry clusters or ecosystems that function as anchors attracting talent and businesses, driving innovation and economic development. The aim of this research is to explore the inherent tensions between the local embeddedness of highly tacit knowledge and the global sourcing of 'open' knowledge or innovation. To study the interaction between local and global knowledge sourcing, we focus on the empirical context of the Dutch apparel/fashion industry. Since the 1990s, the manufacturing of clothing and textiles in the Netherlands has been increasingly, if not completely, offshored, making it essential for Dutch apparel firms to engage in international relations with suppliers. At the same time, locally based non-governmental organizations arose to protect the social rights of workers and ecological interests. The technological specializations in apparel (especially denim) and sustainability in the Amsterdam Metropolitan Region have evolved and a strong

clustering of local knowledge, expertise and capabilities that link global apparel and denim manufacturing and social and ecological sustainability has emerged.

We focus on a particular open innovation platform in Amsterdam: Denim City. Denim City is an innovation campus, bringing together denim stakeholders to make the industry “cleaner, dryer and smarter”. A single case study design enabled us to perform a thorough and detailed analysis of inter-firm collaboration and open innovation within the specific context of the Amsterdam denim cluster, which is internationally renowned as a centre of denim expertise with an important focus on sustainability. In-depth interviews and workshops were held with several stakeholders involved in Denim City, such as campus managers and denim brands.

The open innovation platform of Denim City is an important collaborative and innovative platform, triggering substantial changes in denim industry practices. Although locally embedded within the emerging Amsterdam denim cluster, their focus and reach is much more global in scale: linking a plethora of international denim stakeholders to collaboratively address and move towards more sustainable practices in the denim industry. The emergence of platforms like Denim City specifically geared at sustainability signals an increasing awareness of the importance of collaboration as a vehicle of change.

### *Cohesion, Competition and Smart Cities*

## **POSSIBILITIES OF THE CENTRAL-EUROPEAN URBAN NETWORK IN JOINING THE GLOBAL URBAN NETWORK BASED ON THE LOCATION OF HIGH LEVEL BUSINESS SERVICE PROVIDERS**

### **Katalin Döbrönte, HUNGARY**

The Central European urban network is in the focus of my paper. There is a shift in examining the European and Central European urban network. Before the polycentric approach meant the mainstream within Europe, and the European urban network was examined in itself. Now the global urban network became the focus, and European urban network is more and more discussed as part of the global one. Interactions and interrelations determine the role of metropolises, main cities.

My aim in this paper is to study and analyse the possibilities of the Central-European urban network in joining the global urban network, in what extent can the Central-European cities be regarded as actors of global networks and processes, and what are the factors that strengthen or weaken this role and acting. In my paper I deal with the cities of Hungary, Slovakia, Poland, Czech Republic, Slovenia, Romania, Bulgaria, Croatia, Serbia, Bosnia-Herzegovina, Macedonia, Kosovo and Montenegro as Central European urban network. I add also the examination of the Austrian cities, as they are geographically in the same space, however with different development opportunities.

I aim to examine if a specific spatial structure can be identified, which strengthens the opportunity for latching on to the global structure, or the different location factors are specific in case of the individual cities, and whether individual cities can rise and join global processes. The interactions and interrelations within an urban network can be analysed from many aspects, I put the economic relations among cities to the focus, I aim to answer how cities structure world economy. From an economic point of view multinational companies are the main decision-maker and governing centers, and as a consequence certain cities become important urban nodes.

I examine in my paper how Central-European cities can take part in offering high level business services for multinational and transnational companies. Among high level business services I deal with business and management consultancy, auditing and tax consultancy, financial consultancy and insurance consultancy. Companies offering these high level business services are multinational and transnational companies themselves, which locate their offices in the production and service-providing centers. I use the work of Friedmann, Sassen, Peter Taylor, Ben Derudder as theoretical basis to my study. I aim to answer the question, in what extent Central-European cities could join these kind of global interactions, and whether this role only involves capital cities, or other cities in the examined area also could become part of the networking. I examine a sample of multinational companies in the field. I compare the findings of my study with the results of other existing studies dealing with the Central European urban network (e.g. mega and FUA cities defined by ESPON

researches), whether the specific aspect I chose give a similar or a shifted result on the examined group of cities, and what are the factors behind.

*Special Session: The Emerging City of Milan*

## **INTER-MUNICIPAL COOPERATION: INSTITUTIONALISING THE METROPOLIS OF MILAN**

**Luciana Dornelles Hosannah, ITALY**

In today's inter-connected world, governments rarely possess the full capability to solve their individual policy areas (Nelles, 2010), municipal borders are often 'fictitious' within larger metropolitan areas and all communities are confronted with the increasing scale and complexity of social processes, which result in increasing number of externalities of local policies. The necessity to think beyond municipal boundaries when dealing with key challenges and opportunities has led many governments to consider exploring inter-municipal cooperation (IMC) as possible institutional solutions. Milan, like many other European metropolitan areas, face challenges presented by globalization, competition and complex social issues. However, as a metropolitan city, Milan is presently in a phase of profound change - triggered by the EXPO (2015) among other things - that presents new challenges to its forms of governance. Different IMC models are one of the tools implemented for regional and metropolitan governance in Milan. However, a comprehensive overview of the IMC institutions in the city has not yet been elaborated. This paper will focus on mapping out these institutions and their role within Milan's urban system. The paper will be structured in four main sections: the first section will address definitions, rationale and models of IMC as well as recent European policy trends in IMC. The second section will contextualize the Italian case by briefly reviewing the Italian legal / institutional framework in which IMC is embedded, focusing on the metropolitan area of Milan. The third section will be dedicated to mapping out the established institutions of IMC in effect today in Milan, aiming to describe their structures, purposes, governing framework, budget, powers, staff and year of inception. The fourth and final section will analyse and draw tentative conclusions about the institutions in existence and their role in Milan's development trajectory. These sections will be elaborated through literature review and analysis, desk research on IMC institutions and direct contact with the same institutions. This paper will focus on both academic and institutional perspective of IMC in European metropolitan areas and on how these perspectives have influenced the institutionalisation of the metropolis of Milan. By mapping out the current IMC institutions in Milan, the author aims to create a foundation on which future studies on Milan metropolitan and regional governance may build upon, creating a comprehensive overview of the institutional instances of IMC in the region. By mapping out the institutions in existence, future studies may further study these institutions on terms of their effectiveness and functionality in the wider metropolitan area.

*Urban and Regional Theory, Methodology and Data*

## **WHO KNOWS HOW TO MAKE POLICY IN AN INSTITUTIONALLY FRAGMENTED METROPOLIS? THE NEW RAIL JUNCTION OF BRUSSELS**

**Nicola Francesco Dotti, Vrije Universiteit Brussel, BELGIUM**

The emergence of city-regions as new actor of the global competition is well-known in regional studies, while political science has largely discussed institutional decentralization and the increasing role for supra- and sub-national tiers of government. In this context, Brussels is not an exception: in 1989 Belgium went through a major process of regionalization, while its capital was growing becoming one of the most important city-regions in Europe as well as the de facto capital of the Union. Yet, differently from other city-regions, a metropolitan authority was not created there and the Brussels metropolitan area ended up to be split across three regions with increasing institutional tensions, mainly across the linguistic border of Belgium. In this context of institutional fragmentation, growing urban importance and increasing global competition, Brussels policymakers need advanced leadership and adequate policy knowledge to cope with metropolitan issues.

The focus of this presentation is on types of knowledge used by policymakers to address complex challenges like large rail infrastructure across regions. Based on the distinction between know-how and know-what, this



presentation proposes a typology of ‘knowledge for policymaking’. Discussing the case of the new rail junction of Brussels, this paper argues that know-how is the fundamental type of knowledge to carry out complex metropolitan projects, while know-what is of secondary importance.

In the case of the new rail junction of Brussels, the Federal Ministry for Communications acted as political entrepreneur strategically interacting with newly regionalized interests, dealing with complex procedures, and overcoming lack of technical expertise and limited planning capacities. This know-how was acquired by the Ministry thanks to the long-standing experience with underground works in Brussels since the North-South Junction built one century ago. The construction of this new rail junction is relevant considering that this is the only metropolitan policy implemented during decentralization. To achieve this result, the Ministry adopted a top-down approach that proved to be effective, however, this prevented social learning and possibility of sharing this knowledge with newly established regional governments.

Based on these findings, the presentation aims to raise questions about knowledge for metropolitan policymaking. First, in the case of large infrastructure requiring 20-30 years for planning and construction, know-how is a scarce resource because very few actors can have it and there are even less possibilities to learn it since large infrastructure are quite unique projects. While know-how risks falling into a ‘cognitive monopoly’, the openness of ‘know-what’ provides opportunities for innovation. Second, decentralization determines the risk of dispersing this knowledge weakening urban governance, while knowledge for large infrastructure requires time to be learnt and is often specific to metropolitan and institutional contexts. This introduces a third challenge about the possibility to develop this knowledge where this is not available contributing to the debate on policy mobility and learning at the metropolitan level.

*Austerity (Risk and Resilience)*

## **HYBRIDIZATION OF URBAN DEVELOPMENT – RESILIENCE AND DEVELOPMENT DYNAMICS OF POLAND’S CITIES**

**Adam Drobnik, University of Economics in Katowice, POLAND**

Cities make the greatest contribution to the development of national economies, acting as nodal points for global markets. In the age of internationalisation and increasing competitiveness, cities and metropolitan areas have become a frequent target of business and public investment location, determining the spatial behaviour of communities. Thus cities are affected by ongoing trends of transformation. They also face with many internal and external challenges like: poverty, pollution, economic decay, natural disasters, post-industrial areas, as well as social disturbances.

In response to the contemporary challenges of urban development, both in scientific and practical dimensions, numerous concepts of development for cities are formulated. For example, among many others there are: sustainable cities, smart cities, green cities, competitive cities, creative cities, friendly cities, vulnerability and resilience cities, and even slow cities. This kind of “recipe” for urban development often raises the greater involvement of local authorities, the larger financial support is offered in the frame of national and the EU policy’s instruments. But in spite of universal access to development concepts, instruments of national and international support, as well as good practices from other cities, the dynamics of urban development is still varied. Some of cities can adapt to such challenges successfully, while in others changes lead to decline.

The paper is issued to the problem of assessing the dynamics of urban development in the context of cities’ size to identify the differences in their development trends. Its main aim is to identify the dynamics of change – measured by selected quantitative indicators – for small, medium and large cities and towns in Poland in the years 2004-2014. The study lifespan, i.e. 2004-2014 was a period of significant socio-economic changes and transitions in Poland of both stimulating (such as entry into the EU structures, and the up-take of the EU Structural Funds) and inhibiting the growth (continued restructuring of traditional industries, sectoral crises, and the global financial crisis). This kind of internal and external changes create interesting conditions for studying the development’s dynamics of Polish cities and towns in the context of urban resilience in the last decade. The study involved over 900 cities in Poland, with their initial division on groups of small (up to 20 thousand

inhabitants), medium (from 20 thousand to 100 thousand inhabitants) and large cities (over 100 thousand inhabitants). The dynamics of development was measured by standard set of a city's diagnosis indexes, which referred to: population, aging, entrepreneurship, foreign capital, pollution, environmental protection, tourism, sport, individual and corporate taxes income, social assistance, and unemployment. In methodological dimension the paper is based on: fixed baseline indexes, portfolio analysis, and linear regression.

Conclusions drawn from the study conducted for Poland's cities seem to contest widely recognized in economic geography dependence according to which the larger, more densely populated and higher rank cities are characterized by greater dynamics of socio-economic development. This type of inconsistency may suggest the emergence of new hybrid models of urban development dynamics that are independent from a city's socio-economic scale to some extent.

*Identity, Citizenship and Lived Differences*

## **A PHILOSOPHY OF NEW REGIONALISM: CROSSING THE BRIDGE FROM BOTH SIDES**

**Marieke Duchateau, City of Utrecht, THE NETHERLANDS**

**Marthe van Laarhoven, City of Utrecht, THE NETHERLANDS**

The opening up of country borders in the European Union for people, goods, services and capital, marked the start of European integration. Aside from the intended benefits this also brought new challenges: the opening up of the European market has emphasized and reinforced lived differences among different European nationalities. It has touched upon the identity of citizens and has provoked a new discussion on European citizenship. In order to govern these sentiments and to truly benefit from European integration, a new perspective on interregional cooperation is needed. In this paper we discuss the challenge of interregional transnational cooperation. How to build bridges across Europe?

Cities are the governing entities closest to where lived differences arise and take shape. They are the suitable actors to cooperate on the issues of identity, citizenship and lived differences. In our view for interregional cooperation to be successful, interurban collaboration is key. What are the ingredients to establish successful inter-urban collaboration? Our objective is to identify these ingredients by scrutinising the case of the Polish Barka Foundation.

The Barka Foundation was originally developed in Poland and its philosophy has proven to be successful in several European cities. Cities in the north-west of Europe are usually very confident about their own vision on how to deal with societal issues. In dealing with problems in one country that involve citizens from another country, it is necessary to deploy knowledge and experience from both countries. The Barka case shows that bridges need to be crossed from both sides.

When the city of Utrecht was confronted with homeless Polish people wandering the streets, the local government invited the Polish and UK Barka Foundation in 2011 to help them solve this problem. The philosophy of the foundation is that by empowering excluded people, these people recuperate their independence and dignity. By focussing on employment and reconnection they regain their feelings of identity through social integration. After applying the Barka method, homelessness among Polish people substantially decreased and consequently lived differences between local populations and eastern Europeans declined: Utrecht learned from a best practice of an eastern European neighbour.

By crossing the bridge from East to West and from West to East, lived differences can be diminished. In addition, how can the Barka case function as an example to stimulate crossing bridges in all directions in Europe? How can ingredients of the Barka case be used to reduce lived differences between European citizens? Finally, with an eye on the current inflow of migrants, what kind of inter-urban cooperation is needed to decrease feelings of threatened national identities and citizenship and to eventually reduce the feeling of lived differences in Europe and beyond?

**PLANT CLOSURE AND POLICY RESPONSE: AN EXAMINATION OF THE LDV CLOSURE, IMPACT AND RESPONSE**

**Thomas Dudley, Glasgow Caledonian University, UNITED KINGDOM**

The de-industrialization of the UK economy caused by globalised international markets, advancements in technology and production with changing consumer demands have made what was 'traditional' manufacturing redundant; this led to industrial restructuring or even collapse resulting in mass job redundancies. Similar to other traditional manufacturing regions (OIRs), the West Midlands has felt these pressures on their automotive industry, which intensified from the 1970s onwards leading to significant reduction in the levels of production output and employment in the West Midlands. Despite automotive decline, the industry remained an important industry of the region, evolving and adapting throughout the years and continued to provide a source of economic strength and employment within the West Midlands. However, in recent decades market and industrial pressures have intensified since the late 1990s culminating in the symbolic collapse of MG Rover in 2005 in addition to other key producers, representing the end of mass automotive production in the West Midlands (Donnelly et al. 2012).

This research looks into the closure of the commercial vehicle manufacturer LDV in 2009, once a part of the larger conglomerate British Leyland, the closure further reinforces the decline in U.K automotive manufacturing. The research involves the corporate collapse of LDV and the local government reaction to the closure and the following re-employment pathways of the redundant LDV workforce. The research continues the discussion of plant closures and the issues that redundant workers face when engaged in the labour market during economic recession. Furthermore the research pursues this discussion within the context of U.K regional reform from the regional development agency (RDAs), to the local enterprise partnerships (LEPs) and how this has restricted government response and limited new economic development and employment opportunities within the West Midlands.

A qualitative methodology was utilised to uncover the difficulties faced by the office tier, or 'white collar', workers, who are regarded as flexible workers within the labour market. Yet this research exposes that white collar workers are subject to the volatile demands of the neoliberal labour market through the concept of worker trajectories, the research illustrates the unique employability issues and job precariousness high skilled workers can experience. The research concludes that the ability for high skilled redundant workers to adapt effectively requires local job recovery strategies to implement more direct engagement of short and long term policies with emphasis on better job search and network development for individuals. The reformation of U.K regional structured has jeopardised the ability to implement job recovery strategies of this type that contribute towards sustaining a resilient economy that can mitigate the effects of plant closure and provide economic opportunities and further development to retain high skilled labour within the West Midlands region.

**THE RELATIONSHIP BETWEEN DECLARED BANKRUPTCIES AND ENTREPRENEURSHIP IN POLAND**

**Ulyana Dzyuma-Zaremba, University of Information Technology and Management in Rzeszow, POLAND**

The paper aims to examine the relationship between the level of entrepreneurship and the number of declared bankruptcies in Poland. The first part of the article presents the regional analysis of entrepreneurial activity in 2007-2014, with division of Poland into voivodships. In the second step the author analyses the phenomenon of bankruptcies declared by the Polish court in terms of legal form of business, the type of most common economic activity (Polish Classification of Activities – PKD 2007) and the type of a judicial proceeding (liquidation or agreement with creditors). Entrepreneurship rate was determined by the specified number of business entities registered in the National Official Register of the National Economy Entities (REGON) system per 10 thousand people of working age. Cluster analysis qualified the voivodships for one of four groups describing the level of entrepreneurial activity as low, medium, high and very high. Most of voivodships were randomized to a third group. The highest level of entrepreneurship characterized Masovian and West Pomeranian voivodships. A

strong linear relationship observed between newly established enterprises and liquidated business entities with Pearson correlation coefficient 0,992. Most enterprises in Poland operates in the wholesale and retail trade (27%) and construction sector (15%), where the number of declared bankruptcies also dominate. In the period 2012-2014 a large number of insolvencies recorded in the manufacturing sector (25%) despite the fact that newly established companies in this sector were only 0,4% of total. The vast majority of registered businesses in Poland (73%) acts as a sole proprietorship and is run by one natural person, in the second place are commercial partnerships (9%). The largest amount of bankruptcies, however, are announced in relation to commercial partnerships (78%), most of which applies to limited liability companies (60%). Only a small percent of business entities use the repair procedures by applying for bankruptcy with the possibility of an arrangement (13%), compared to the vast majority (87%) the court usually declared bankruptcy with the liquidation of assets (87%), mostly due to the late submission of the application and too much debt. In addition author analyses the influence of GDP on the number of declared bankruptcies and the number of newly registered business entities.

The article was prepared based on results of the project that was financed from the funds of National Science Centre given by decision with number DEC-2013/11/B/HS4/01022

*Urban and Regional Sustainability*

## **REGIONAL SUSTAINABILITY STRATEGIES: THE LINK BETWEEN STRATEGIC TARGETS AND OPERATIONAL MEASURES**

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Many cities and districts in North Rhine-Westphalia, Germany, are confronted with a wide variety of challenges, which influences the societal, environmental and economic sectors. Climatic changes, a still increasing consumption of resources and land as well as a declining and aging population show that local activities are greatly shaped by hardly influenceable regional, national and global trends. In addition, the tense budgetary situation (finance, human resources) limits the capacity of many cities to put the progress of a sustainable urban development into practice. Consequently, regional cooperation and strategies can significantly strengthen a sustainable urban development by bundling limited resources of different cities.

In 2013, the district of Unna with its ten municipalities has therefore developed one of the first comprehensive regional sustainability strategies in Germany. By developing this regional strategy, existing local and national strategies and networks were linked on a regional level. On the one hand the strategy picks up goals of existing sectoral policies as well as ideas and experiences which have been already made by the local administration. On the other hand it takes into account objectives on higher political levels and focuses on a vertical integration of sustainability. Thus, the district primarily is the strategic level for the development and coordination of objectives and measures, while the local level represents the level at which the developed measures must be broken down and implemented. As a result, both levels have to be considered and included when it comes to a successful implementation.

This paper presents results of the follow-up project, which took place from mid-2014 until the end of 2015, to further develop this strategy. The aim of the project was to link the strategic regional level to the operational local level. A main goal was therefore to develop concrete implementation strategies under the consideration of experts and citizens. The paper emphasizes the methods of developing these implementation strategies. Based on Arnstein's Ladder of Citizen Participation, the paper introduces the different dialogue, consultation and participation formats, which were used to ensure the planned wide participation. Using the example of mobility, the paper discusses the advantages and disadvantages of these formats involving different groups in a process of a regional sustainability strategy.

**THE ROLE OF PUBLIC POLICIES IN THE ORIGINS AND EVOLUTION OF SEVERAL INDUSTRIAL CLUSTERS OF THE BASQUE COUNTRY**

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There is wide agreement in literature that cluster life cycles are determined by path-dependent forces, among which government policies stand out (Menzel and Fornahl, 2010; Martin and Sunley, 2006). The effects of policy measures in the different stages of cluster life cycle, however, is a scarcely addressed topic (Boschma & Fornahl, 2011; Brenner & Schlump, 2011).

In this paper, we analyze the role of public policies in the origins and evolution of clusters. We offer new empirical evidence taken from six clusters of the Basque Country, particularly representative of the industrial history of the region: paper-making, maritime industries, machine-tools, electronics and ICTs, aeronautics, and energy. The former three have followed an entire life cycle; the other three are still in a development phase. For each cluster we conducted a qualitative longitudinal analysis, exploring factors that account for their origin and evolution. We specially focus on the government policies applied, considering the six categories described by Brenner and Schlump (2011): education, public research, supporting R&D and innovation culture, start-up support, network organization and cooperation support, and infrastructure and local conditions. We add two categories that we consider particularly relevant (protectionist and demand stimulus measures) and a general category termed "other".

There are several conclusions that merit attention. Firstly, in agreement with cluster literature (Van der Linde, 2003; Brenner & Muhlig, 2007; Uyarra & Ramlogan, 2012), public policies do not seem to have played a key role in the origin of five out of six of the Basque clusters studied. Except in the emergence of the aeronautics cluster, policy measures seem to have played an indirect role across clusters and over their life cycles.

The second conclusion points to the necessity of taking history and context into account. On the one hand, most of the important policy measures highlighted by cluster literature today do not fit well with the previous policy and economic context. On the other hand, policy measures seem to have become more important in recent times than in earlier periods (something that Brenner & Muhlig, 2007 also suggest). Following on these, and focusing on the most recent period, cluster policies have been designed to be applied equally in all clusters considered by the Basque Government. However, for policies to be effective, the stages of the life cycle should be taken into consideration (Maskell and Kebir, 2006; Brenner & Schlump, 2011; Elola et al., 2012).

Thirdly, there are some conclusions in relation with specific policy measures studied. Protectionist measures, when their use was possible, provided a captive market that contributed to the emergence of the oldest clusters. In the developmental phase, the support to specialized education contributed to provide the specific human resources required to grow. As literature suggests, our work also confirms that public research might play a significant role for clusters to renew themselves: turning around clusters that are already declining or helping mature clusters to move into new areas.

**DO THE UNKNOWN CITIES MAKE THE ANTI-UTOPIANS? TOWARDS VISIONARY UTOPIA PLANS IN EGYPT**

**Abeer Elshater, Ain Shams University, EGYPT**

**Hisham Abusaada, Housing and Building Research Centre-HBRC, EGYPT**

In Egypt, many unknown cities have not taken the opportunity to be explored from a large number of researchers like the famous historic towns. Those distant cities should be taking part in future investigation works since they

could have similar features to dystopian cities. The main issue in this paper not only discusses how to enhance the urban area to become liveable but also how to stop the urbanity's transformations that make cities run toward being anti-utopian and prevent it from being dystopian. The research method uses the descriptive-analytic to understand the purpose of evaluating the viability of public criticism. The current manuscript aims to activate methods of self-criticism to restrain the features of the unknown cities and move on to the bright prospects of urban design as an art at the city level.

Life is a tragedy, but in the same time, it is illuminated. Generally speaking in utopia, there would be a system that was created to be good; in Dystopia, there is no system. Otherwise, the anti-utopia was supposed to be good but utterly failed. The lack of understanding about how architecture has transformed people's lives in Egyptian sites has led to dystopian cities. This paper revolves around two questions: Is there a need to build a utopian city before improving the current dystopian cities in some of the Egyptian sites? Is these revision helps to redraw anti-utopian or/and dystopian situation? In most Egyptian cities, especially in the unknown metropolitan cities — sites, there is no residential area has not been affected. Hypothetically, there are three fears involved in Egyptian urban reality. The pressing issues are the “Ruralisation” of urban areas, the loss of human connectedness, and the lack of awareness of human rights. Also, the intellectual illiteracy/ignorance cognitive, which spreads among the people, administrators and experts. Two factors prevent the damaging impact in urban areas: human and specific features, such as buildings and network movements. Humans are the sources of life and the protection in the city is man-made. These two elements cannot be seen separately.

This paper is an intervention in the epistemology and methodologies of an urban design discipline. It seeks to understand the ways of thinking that deal with the meaning of unknown Egyptian cities — sites in the status quo of the urban reality. The research topic is primarily concerned with the formation of anti-Utopia. It presents the notion of anti-utopia as attacking the impractical and unrealistic intellectual traditions. Taking into consideration, respecting the traditional ideology may lead to catastrophic results through increasing the thought of xenophobia. Continuing dissatisfaction with the existing reality causes the utopian. On the other side, a utopian tendency may come without providing any support to the current social order or rejecting the prospects of radical social change.

*Innovation, Agglomeration, Evolution*

## **RELATED VARIETY, UNRELATED VARIETY AND DIFFERENTIATION: EVIDENCE FROM A MASS TOURISM CITY**

**Hilal Erkuş Öztürk, Akdeniz University, TURKEY**

In the volatile economic conditions imposed by globalisation, “being different” is the only way to cope with competition. Differentiation in products and services is not only important for the survival of a company, but also for the development of a region due to their roles in the promotion of competitiveness and long-term growth. Differentiation is also very crucial for sustaining the competitive advantage of tourism firms and tourism places. As tourism is a highly fragile and risky market that includes high user uncertainty and user differentiation, companies working in the sector are forced to be innovative and to produce differentiation in products and services. It is argued by some economic geographers (Frenken et al. 2007; Boschma and Iammarino, 2009) that “related industries” have advantageous position in terms of product differentiation and innovation. They have a higher capacity to absorb innovations from neighboring sectors. They made two important distinctions between related variety and unrelated variety to explain how innovation happens more likely between firms in different industries with a low cognitive distance. Related variety means a variety of firms/industries in a region that are cognitively related (Frenken et al., 2007). Diversification through unrelated variety can be defined as firms in sectors that have originally nothing to do with each other and enter the tourism market. For instance, cut flower, jewelry industry, cultural industries and some types of trade sectors which have originally nothing to do with tourism but try to organize itself by the help of tourism development. Thus differentiation and innovation strategies can also be followed via unrelated variety through opening new markets.

In this paper, the questions are (i) to what extent differentiation observed in mass-tourism companies is linked to the related and unrelated variety connections of that company? (ii) Whether observed

differentiations/innovations are stimulated by relations with firms of related sectors (related variety) or unrelated sectors (unrelated variety)? In the literature a lack of focus has been observed for tourism cities in theoretical and empirical studies on the relation between differentiation types and between/within-sector connections. For that reason, the type of different tourism companies which have a directly (related variety) or indirectly (unrelated variety) relation with tourism were defined as a unit of analysis. Within this context, 33 hotels (including 5,4,3,2 star and boutique hotels), 50 restaurants and 45 jewelry companies, and 50 retail trade companies were defined as a sample to apply in-depth interviews from Antalya, the leading tourism city of Turkey which attracts more than 10 million visitors each year. A quantitative analysis (namely correspondance analysis and shared crosstables) is applied to analyze the relation between related, unrelated variety and innovation in tourism companies of Antalya. The findings not only showed a strong association between innovation and investment in related variety companies, but also showed strong association between innovation and labor mobility in related companies. However, the relation between innovation and (un)related variety between companies differs by each type of company.

\*This paper is an outcome of TUBITAK 1001 Project, titled as; "Economic Diversification and Homogenization In Tourism Cities: The Case Of Antalya", Project No:112K443

#### *Urban and Regional Sustainability*

### **AN ASSESSMENT OF SUSTAINABLE REGIONAL DEVELOPMENT IN INDONESIA**

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**Alex Octavianus, Central Statistics Agency of Indonesia, INDONESIA**

Sustainability has been the major concern of development both at national and regional levels. Achieving a balanced economic, social and environmental goals has prompted policy makers to pursue a measurable and feasible sustainable indicators of sustainable development. In recent years, concern of the sustainability has also shifted from mostly national and international agendas to more local or regional development agendas. Concern on integrating sustainable development into regional development has raised a new notion of sustainable development at regional level so-called Sustainable Regional Development or SRD. SRD in essence is the concept of development which integrates sustainable development principles into regional development practice. SRD encompasses all activities and instruments that promote sustainable development within regional economic activities. The integration of sustainable development into regional development, therefore, is an important element for regional development as a whole.

Implementing sustainable principle, however is still a challenging issues given its variety and complexity of sustainable indicators. Sustainability encompasses many aspects of development which make its measurement is not an easy one. For a developing country such as Indonesia, finding the right set of indicator for sustainable development is even more complex due to lack of data and agreed set of indicators. At present, gross domestic product (GDP), human development index (HDI), and Indonesian Environmental Quality Index are used separately as a measurement of Indonesian sustainable development for each regions in the country. Therefore, they can not be used as measurement for a comprehensive development indicator. This study is an attempt to address such an issue by developing a new composite index to measure Indonesian sustainable development at regional level. A panel data of thirty three provinces during the last four years were used to assess the performance of each region (province) with regard to their sustainability principles in terms of economic, social and environmental dimensions. The composite index was then constructed from a set of economic, social, environmental and indicators. Assessment of sustainable development was carried out at regional as well as national levels. The results indicate that there are wide variations of sustainable development performance among regions in Indonesia. It shows that the western part of Indonesia tend to be better performed than that the eastern one. In addition, regions tend to have better performance on economic and social aspect of development compared with that of environmental dimension. Lessons learned were then drawn for regional development policy both for national and regional development agendas.

**CITY COMPETITIVENESS IN POLAND: INNOVATIVE STRATEGIES AND LOCAL GOVERNANCE IN A GLOBALIZED WORLD – THE CASE OF POZNAŃ**

**Adrian Favero, University of Edinburgh, UNITED KINGDOM**

European integration has increasingly changed the balance of power between national and sub-national governments and has potentially altered the position of cities within the European Union. Urban authorities became engaged and connected with other actors and cities on a European and global level. On one hand cities benefit from these horizontal networks, contacts and transnational flows of goods and people. On the other hand, city governments are forced to promote their urban space as arena for individual opportunities to enhance the attractiveness for foreign investors and highly qualified labour. In developing innovative strategies to improve their competitive capacity, cities not only compete internationally but also with other cities within national boundaries. There has, however, been little attempt to examine these urban developments and strategy-led factors within Central Europe. Contemporary scholars often refer almost exclusively to Western Europe when analysing the role of urban governments in inter-urban competitions. This is surprising as Central European cities experienced major changes as a result of de-sovietisation accompanied by processes of globalisation and European integration.

Cities in Poland present interesting cases in order to explain the positioning of Central European urban settings in a globalising world. Polish cities, which were subject to centrally planned and state owned economies, became exposed to the forces of global markets and European integration after the fall of communism 1989. With this exposure, these cities underwent transformations towards a market economy and a democratic society. The newly gained access to these markets raised and continues to concern the question about the current state of inter-urban competition of Polish cities. More specifically, how do local governments improve local political services for residents while at the same time responding to the pressure of globalized capitalism and European integration?

This paper and presentation will specifically focus on a case study from Poznań which analyses the responses of local authorities to ongoing globalisation processes and the demands for political recognition by urban residents. By looking at the strategies of the local government, the role of foreign investments, and public participation of urban residents, this paper evaluates what has been done to create competitive and innovative plans for Poznań's growth and development.

Despite their rather weak competitiveness, Polish cities continuously strive to distinguish themselves from other urban areas. City authorities realized that innovation and public participation is what makes their city unique and helps position the urban space in a globalising world. Analysing the innovative policies implemented by the local government in Poznań provides an insight on their attempts to take advantage in the inter-urban competition. Furthermore, Poznan – although not representative of every urban centre in Poland- serves as a microcosm through which to better understand the general process of de-sovietisation, de-centralization, and globalization in Central Europe. The use of cities, and Poznan specifically, offers a shift in focus from the traditional and dominant nation-state framework.

**THE MECHANISM OF UPGRADING AND URBAN DEVELOPMENT IN THE EGYPTIAN CITY (CASE STUDY OF DAMIETTA)**

**Lina Fayed, German university in Cairo, EGYPT**

The research studied, in the beginning, the related urban concepts such as the urban, development, urban development. As it also deals with the upgrading, urban upgrading, community participation and the role of local administration in development and upgrading projects.



Then it studies some regional upgrading & urban development projects in Egypt followed by international projects, and the analysis the strategies followed in dealing with these projects.

Afterwards, we state the regional aspects of both Damietta governorate & city, dealing with its potentials & development constraints. Followed by studying the upgrading and urban development projects strategies in reflection to the city's crucial problems, and the constraints that faced the upgrading & development project. Then, it studied the implementation of the project's strategies & it provided the financial resources needed for the development project in Damietta city. Followed by the studying of the urban and human development projects in the upgrading of Damietta city, as well as analyzing the different projects & analyzing the results of these projects on the aspects of the city's needs.

Then the research analysis in comparison the upgrading and urban development project in Damietta and the regional upgrading and development projects in Egypt. As well as the comparison between the upgrading and urban development project and the international projects in some Arabic and foreign countries in relation to the goals, problems, obstacles, the community participation, the finance resources and the results.

Finally, it reviews the results and recommendations that were reached as a result of studying the similar urban upgrading projects in Egypt and in some Arabic and foreign countries. Followed by the analytical analysis of the upgrading and urban development in Egypt.

*Federalism, Subsidiary and the Allocation of Competences*

## **RETHINKING THE DECENTRALIZATION OF TRANSPORTATION POLICY**

**Christophe Feder, Universita Della Valle D'Aosta, ITALY**

Regional economic literature has amply discussed the link between the quality of transportation infrastructure and regional growth. With different shades of opinion, scholars has theoretically and empirically demonstrated that best transportation infrastructure has a positive impact on both inter-regional trade and regional growth. Less attention has been posed on the link between transportation infrastructure and spillovers, especially with reference to the spillovers coming from the provision of (local) public goods.

Since the intensity of public goods and the quality of transportation infrastructure are affected by political decisions, it seems us relevant to study the two items mentioned above using a unitary framework and within the current debate on decentralization of policies. A milestone of literature on federalism is that the decentralization policy is optimal only without inter-regional spillovers. The reason of this decentralization failure is that local governments consider only the effects of a regional policy internal at their own region. Given that the transportation policy affects the strength of inter-regional spillovers, then the size of the decentralization failure could be affected from the institutional design of transportation policy. In this paper, we principally compare a static decentralization policy with a dynamic decentralization policy. The former is a one-time decision design where the local governments choose simultaneously both the quality of transportation infrastructure and the intensity of the local public goods. The latter is a two-time decision design where before the local governments choose the quality of transportation infrastructure and after they choose the intensity of the local public goods.

The main result is that when there are positive spillovers then the dynamic decentralization solves partially the decentralization failure. Indeed, if the local governments increase the quality of transportation infrastructure, on one hand, they increase the level of positive spillovers and then they increase the welfare; but, on the other hand, they increase the size of the decentralization failure and then they decrease the welfare. Therefore, with the dynamic decentralization institutional design the local governments choose the optimal quality of transportation infrastructure that balances these two effects but is a second-best solution. In addition, we find that with a two-time decision design, the citizens obtain the same level of public good benefit that with a one-time decision design, i.e. the public component of the welfare is unchanged, but with a lower level of taxes, i.e. the private component of the welfare is higher.

Finally, we find that with negative inter-jurisdictional spillovers the decentralization failure is completely solved. Indeed, if the local governments increase the quality of transportation infrastructure, on one hand, they increase

the strength of negative spillovers; and, on the other hand, they increase the size of the decentralization failure. Both effects decrease the welfare. Therefore, the local governments choose the first-best quality of transportation infrastructure reducing the strength of negative spillovers at zero.

*Austerity (Risk and Resilience)*

## **THE CHANCES OF REDISTRIBUTING TOURISTS IN THE HINTERLAND OF PRAGUE'S HISTORIC CENTER. A USE OF INDUSTRIAL HERITAGE AS A POTENTIAL FOR REPEATED VISITS**

**Dana Fialova, Charles University in Prague, CZECH REPUBLIC**

**Veronika Dumbrovská, Charles University in Prague, CZECH REPUBLIC**

**Tereza Kůsová, Charles University in Prague, CZECH REPUBLIC**

In the past two decades, the capital of Prague saw a major increase in the number of visitors and foreign tourists in particular. In the course of a year, one can watch a change in the clientele depending on the countries of origin (Germany, Russia, Spain, China, etc.), the age structure and primary objectives of their visits (culture, knowledge, gastronomy, special cultural events, sports and congress undertakings, etc.). Nevertheless, the tourists never forget to visit the historic center: the UNESCO-listed Prague Heritage Reserve (above all, they set out on the "Royal Path" linking the Old Town with the Lesser Quarter and Prague Castle across the Charles Bridge). There is their high concentration (when converted into the usable area and population number, there is one of the biggest burdens from among comparable urban destinations), accompanied by a number of risk phenomena (ghettoisation, touristification, congestion, crime, etc.). One can observe some tension between the users of the space: the residents, visitors and tourists. As a rule, the residents perceive the aforementioned phenomena negatively (see the results of guided interviews carried out with residents of the historical part of the city), while tourists are much more tolerant of them and are reconciled with the given situation (see the results of a survey conducted among tourists in the Prague Castle complex), especially during their first visit to Prague. For the sake of sustainable tourism and also an easing of the existing tension it is necessary to try to make a guided dispersion of visitors/tourists also outside the historic center: (a) for the purpose of a reduced burden of the historic center; (b) to make the tourists visit the city repeatedly. A variety of opportunities are being offered in the close hinterland of the historic center especially in connection with a revitalisation of former industrial districts in the inner town (Karlín, Smíchov, Holešovice) and with a trend in tourism, specifically an interest in industrial heritage of the late 19th century and early 20th century. At the same time, one has to approach the redistribution in a guided fashion because the residents often perceive the current situation as "sacrificing" the historic center to tourists, considering their presence in other parts of the city undesirable and unsuitable. Based on quantitative data, the contribution documents the current enormous burden of the historic center and based on qualitative data, the way the burden by residents and tourists is perceived. The findings from a field survey make it possible to outline the options of tourists' guided redistribution just outside the historic core.

*Urban and Regional Sustainability*

## **PROMOTING RECENTRALIZATION IN METROPOLITAN NORTH AMERICA: METROPOLITAN PLANNING PROPOSALS AND THEIR TRANSFORMATIVE POTENTIAL**

**Pierre Filion, University of Waterloo, CANADA**

**Anna Kramer, University of Waterloo, CANADA**

**Gary Sands, Wayne State University, UNITED STATES**

The presentation considers the possibility of shifting U.S. and Canada metropolitan development patterns away from prevailing dispersed and automobile-oriented patterns. It explores the role planning can play in this regard. The presentation investigates the content of 301 planning documents with a metropolitan scope from the 58 U.S. and Canadian urban regions with a population over one million. It also relies on interviews with 55 planners employed in the agencies that produced the investigated documents and that were responsible for the implementation of their proposals. These interviews probed motivations behind proposals contained in documents and the difficulties encountered when attempting to implement these proposals. The presentation

looks for the presence within planning documents of the widespread criticism levelled at urban dispersion and of development models providing an alternative to dispersion. It measures the convergence among the documents over such alternative models and examines how closely these models conform to planning possibilities afforded by prevailing economic, political and institutional contexts. It also relies on interviews with planners for an assessment of the implementation potential of proposals voiced in the plans and their capacity to initiate a shift away from metropolitan-scale urban dispersion.

Findings point to a near consensus in planning documents around a recentralization theme, which proposes networks of nodes with levels of density, multi-functionality and public transit and walking reliance contrasting sharply with the current predominance of low-density, land-use specialization and automobile reliance. It thus proposes a shift from the pattern of development that has characterized North American metropolitan development over the past 70 years. If fully implemented, the proposed creation of networks of nodes would profoundly transform metropolitan form and dynamics across North America. These nodes would become major clusters of employment, retail and services while including substantial amounts of high-density housing. They would centralize destinations, which are presently mostly dispersed across metropolitan regions, making them accessible by public transit. They would thereby alter accessibility and property value distribution patterns by causing a shift from low variability and irregularity, reflective of heavy reliance on automobile transportation and of a scattering of structuring land uses (employment, retail and institutions), to overlapping gradients of varying importance focussed on multi-functional nodes. Interviews point to a string of obstacles encumbering a large-scale implementation of recentralization, however. These include limited funding availability for new rapid and high-frequency public transit systems, NIMBY reactions against multi-functional and high-density development in suburban areas, fragmented land use planning jurisdictions, clashing planning priorities between central cities and suburbs, and above all, the path dependency embedded in mutually reinforcing relations between heavy reliance on the automobile and dispersed urban configurations. It is therefore more realistic to expect a partial implementation of recentralization, which will have more modest metropolitan impacts such as a change in the form and dynamics of certain parts of metropolitan regions only, translating in limited region-wide rises in public transit modal shares.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **IMPLEMENTATION AND IMPACTS OF THE LEADER-APPROACH – REFLECTIONS ON THE INTERVENTION LOGIC OF A PARTICIPATORY APPROACH FOR RURAL DEVELOPMENT**

**Isermeyer Folkhard, Thünen-Institut of Rural Studies, GERMANY**

**Petra Raue, Institute of Rural Studies, GERMANY**

**Gitta Schnaut, Institute of Rural Studies, GERMANY**

One approach to support a smart rural development is LEADER, which is funded by the European agricultural fund. Organisational structures with own budgets for project funding are established in LEADER-regions to enable participation of local actors. There is a specific intervention logic, which bases on the following principles of the LEADER-approach: local partnerships with private and public actors, bottom up-orientation, territorial approach with a local development strategy, multi-sectoral conception, cooperation with other regions, innovation, networking/networks and a LAG-management for coordination.

A general assumption about LEADER is that the implementation of these principles creates an added value because of a better identification of local needs and solutions, more commitment of stakeholders and a greater scope for innovation. Further benefits are networking to allow mutual learning and an integrated approach to address complex economic and social issues. So the intervention logic assumes that a successful implementation of the principles of the LEADER-approach foster impacts on rural development.

But because of the high complexity of the LEADER-issues (very different topics of rural development) and a lot of “soft impacts”, like improving cooperation-attitudes, there are difficulties in measurement of the real results. So it is not easy to prove the achieved added value. Furthermore the European Court of Auditors claims in a special report (5/2010) about the “Implementation of the LEADER approach for rural development”, that LAGs

have implemented the LEADER approach in ways which limit the potential for added value. Thus there is a need for a critical review.

To reflect the implementation and impacts of the LEADER-approach we can present results from the evaluation of Rural Development Programs (RDPs) in six federal states in Germany. Object of evaluation are more than 100 LEADER regions. A mixture of qualitative and quantitative methods has been used (including more than 100 face-to-face interviews and four surveys using written questionnaires: two for members of the LAG's decision-making bodies, one for LAG managers and another one for project beneficiaries). This is long-term research starting in 2007 and ending 2016.

There are two questions: "Is the LEADER-approach really implemented according to the LEADER-principles" and "How do these elements have an impact on the success in supporting rural development?".

Regarding the implementation it can be summarized that putting LEADER-principles into practice was mainly successful. For example, there is wide participation of local stakeholders (although there is a clear dominance of the usual suspects of participation in such processes: male, academic, over 40); the LAG-management gets good marks from LAG-members as well as from beneficiaries, and the local development strategies include different sectors. Problems in implementation are funding regulations (restricting the freedom of decision-making) and a lack of cooperative projects with other regions, especially at the beginning of the funding period.

Regarding the impact on rural development, positive results refer to a good mobilisation of voluntary work in the LEADER-financed projects and a higher share of projects with a region-wide-focus (rather than just focusing on a single municipality). Finally we reflect outcomes of different modes of participation.

*Special Session: The Emerging City of Milan*

## **MOVING THROUGH ARCHITECTURES: URBAN INTERSECTIONS BETWEEN TORTONA AND GIAMBELLINO**

**Cora Fontana, Gran Sasso Science Institute, ITALY**

**Valentina Gingardi, Gran Sasso Science Institute, ITALY**

Today Milan is a city that aims at attracting international capital through investments in mega projects of urban transformation, in order to consolidate its position in the European panorama. Some parts of the city, however, are evolving in very different ways from those of the 'Global Milan'. In fact, the city is turning towards not only 'strategic' decisions related to real estate finance but also towards progressive adjustments, of involutions and evolutions that occur frequently at the neighborhood's scale. These changes impact directly on the transformation of the city, having consequences on its architecture and on the quality of the urban fabric. The social, economic and cultural dynamics that are emerging at this scale are part of the evolution of the city, as well as the great urban transformations of Porta Nuova and City Life, although with very different characters. Therefore, these parts of the city deserve to be understood and studied carefully.

The research focuses on a sector of Milan – in the southwest part of the city, within the administrative zone number six – which is identified in the related areas of Tortona and Giambellino. Public debate and institutional definitions tend to foster the rhetoric of the contrast between two different trajectories within this territory: the 'forms of innovation' within Tortona on one side, and the 'peripheral features' of Giambellino on the other. An understanding of these two areas only through the NIL categories – Nucleo d'Identità Locale – does not convey the complexity and varied features of this part of the city. For this reason, the research proposes to analyze an alternative spatial zone defined at their intersection. Surpassing the evaluation of administrative boundaries, the identification of a new spatial unit starts from the consideration that this combined zoning may facilitate an identification of the contamination between the two different urban fabrics, trying to overcome the dichotomy between innovation and periphery. The paper offers a critical reading and interpretation of the changes and stratifications between Tortona and Giambellino, as a reflection of the social and economic dynamics that take place within it. The primary parameters of analysis taken into account to observe the

evolution of this area are accessibility, the porosity of urban fabrics, physical regeneration and social practices that take place there. All these aspects are crucial for the investigation of the contemporary city.

The research aims to highlight how economies of innovation and new social practices at the scale of the neighborhood can help to create a demand for architecture that is in stark contrast to what is happening in the downtown of the city.

*Urban and Regional Theory, Methodology and Data*

## **SINGLE AND HOMOGENOUS EUROPEAN MARKET OR CORE-PERIPHERY RELATIONS IN EUROPEAN FRAMEWORKS?**

**Balazs Gyorgy Forman, Corvinus University of Budapest, HUNGARY**

In many regions of the EU, very serious socio-territorial changes are currently happening in non-core areas. As in other parts of the EU, most development in Central Europe is recently peripheral and differs from 'classical' economic development in Northwestern European countries.

One characteristic of recent economic development is the high dependency and/or interdependence on core countries and on world market.

Other characteristic of recent economic development is the high dependency and/or interdependence on Russian natural resources, on climate change, on declining population, on FDI, on migration and on common regional and agricultural subsidies of the EU.

How we can focus our attention for challenges of the EU if interests of the all countries are high level fragmented? If the economic growth and economic development needs for some countries to solve the different challenges of ageing population, to sustain systems of the education, the public services, the pension, the public health with changing population and growing inequalities.

The key terms are the inequality, sustainability and welfare allocation and/or distribution between different individuals, social groups, regions, countries and generations. We examine, how can adapt the European Union's solutions in some area in frame of the World.

The peripheral and semi-peripheral countries in the vicinity of economic growth hubs are changing rapidly. However, peripheries of world economy are not only affected by the geographical expansion of their role in spatial division of labour leading to dispersed forms of economic development in the core-periphery connection. In a general sense, it seems that semi-peripheral countries are becoming a more central arena under single market in European economy, leading to spatial reconfigurations as well as social, ecological and economic disruptions. We have to face dichotomy of stability- instability and short and long term periods.

Moreover, the developments in between the developed and undeveloped worlds may require a re-thinking of existing approaches to understand the role of the spatial in current modes of capital accumulation. For instance, there has been interaction between economic geography, development geography and geography and economics of different world regions and those studying the political economy, while both could benefit from each other.

**INSTITUTIONAL ENTREPRENEURSHIP AS MECHANISM FOR PATH CREATION: EARLY FORMATION OF NEW PATHS IN TWO NORWEGIAN REGIONS**

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Regional leadership is assumed to play a crucial role in regional renewal, and in enabling regions to branch out into new paths (Sotarauta, Horlings and Liddle 2012). Regional leadership has been suggested as the missing link in our understanding of regional growth processes (Rodriguez-Pose 2013, Sotarauta et.al 2012). The concept of institutional entrepreneurship digs deeper into regional leadership and seeks to supplement the systemic focus on regional innovation (Asheim and Gertler 2005) by seeking understanding of who the actors are and what they do when they aim to boost institutionalization of regional growth processes and more specifically new paths. The concept of institutional entrepreneurship adds to the knowledge of how social actors work to change the institutions that governs innovation systems but also their own activity (Sotarauta 2015). Taking institutional entrepreneurship as an approach, we can better explain changes in innovation policies and other development efforts in the region.

Entrepreneurs are embedded in structures where they attempt to mindfully depart in order to create new paths. Combining agency (entrepreneurs) with regional contingency (structure), Jacobsen (WP 1 paper draft) purpose a model for main mechanisms for regional path creation. We will make use of this model in order to capture the main mechanism that trigger or set the creation of a new path in a region in motion. The empirical analysis is based on a qualitative dataset consisting of policy documents and semi-structured interviews. The empirical context for the study is: 1) The case of Stavanger which concentrates on the formation of the ARENA project "Smart care cluster". Additionally, other parallel and connected activities are also of importance to understand the context, regional anchoring and engagement of this new and dawning path. The regional focus on and priority of smart care /smart technology /smart cities in 2015 cannot be traced back to earlier regional policy strategies. Thus, the early stage of this "smart path" are closely connected to an institutional entrepreneur, and 2) The case of Maritime CleanTech West (MCTW) which is an independent organization engaged in building arenas and networks for creating forward-looking, innovative and competitive solutions in the maritime sector that reduce environmentally harmful emissions to air and sea. MCTW's activities seek to increase the competitiveness of the petro-maritime cluster in the Bergen/Sunnhordland/ Haugesund region. The qualitative dataset focuses on the early phase of these paths. Identifying and discussing the role of institutional entrepreneurs in an early phase provides a possibility understand their role, their strategies and instruments used within the regional contingency.

**CONCEPTUALIZING STRATEGIC COMPETENCE FOR SMART REGIONAL DEVELOPMENT**

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In this paper we are conceptualizing strategic competence of regional systems of innovation (RIS) for smart regional specialization strategy. When formulating the model, we take four starting points into account. First, it cannot focus on a single organisation or sector, all relevant stakeholders have to be taken into account. This includes not only the classical social partners (employers, trade unions, and the state) but also the infrastructure for (re)production of knowledge (universities, institutes etc.), intermediary organisations (business incubators, science and technology parks etc.) and relevant NGOs. The analytical model has to take into account that these actors are vertically and horizontally disaggregated, but are at the same time engaged in a continuous process of co-ordination. Second, inter-organisational linkages and institutional empathy do not imply that boundaries between individual organisations become blurred. Functional differentiation is clearly visible in the analytical model. However, strategic competencies also include capability for sophisticated forms of co-ordination, neutralising inherent risks of functional differentiation. The need for the art of separation has to be

complemented with the art of communication. The former requires that organisations and sub-systems have to follow their specific goals: enterprises aim towards competitiveness, profit, market share; trade unions to protect rights and well-being of workers; universities and research institutes to achieve new cognisance. The latter enables them to define a common interest on the basis of opposing interests, thereby achieving a certain level of coordination and synergy. Third, strategic competence includes the ability to articulate interests and to engage in coordination of activities. Articulation of interests requires a certain level of technocratic competencies. This has two components, self-referentiality (knowledge about own operations, capabilities and limitations) and reflexivity (knowledge about own position in environment and the influence on environment). Fourth, search for complementary interests, as the basis for co-ordination is necessary condition for effective systems of innovation. This co-ordination is taking place in the soft field of interactions among interested actors, where we can observe a network of linkages, dependencies, exchanges, competitions and loyalties.

In our model we integrate two components of strategic competence. The first is the technocratic competence, defined as the mastering of a pool of codified and un-codified knowledge that exists in the regional system of innovation and which are utilised by the actors in performing their key activities. The second is the social capital, a key resource lubricating networked type of organisations, which are in the centre of continuous (re)structuration of regional systems of innovation. Since we are dealing with networks at different levels, we include different types of social capital in our model.

Model of strategic competencies for smart regional development can take regional nuances into account and allows operationalisation for future empirical research, not only for research on regional development, but also for the purpose of research-informed policy-making and implementation of smart specialization strategies.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

## **RELATED VARIETY, UNRELATED VARIETY, AND REGIONAL GROWTH: THE ROLE OF ABSORPTIVE CAPACITY AND ENTREPRENEURSHIP**

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The paper investigates the effect of related and unrelated variety on regional growth in West Germany. The present study not only attempts to provide empirical evidence that can be directly compared to Frenken et al. (2007) but also extends the analysis in two respects. First, we incorporate the concept of absorptive capacity (Cohen and Levinthal 1990) by claiming that ability to benefit from related and unrelated variety in terms of economic growth is shaped by regional R&D intensity. The underlying idea is that the higher the regional knowledge base in terms of R&D, the higher is the expected ability to absorb knowledge from other related and unrelated industries and the stronger the effect on growth. Second, we emphasize the role of entrepreneurship in the recombination of knowledge (Weitzman 1998) and experimentation in the economy (Kerr et al. 2014). Does entrepreneurship be regarded a mediator the effect of industry variety on growth? While existing studies show the importance of different types of diversity on economic growth, the role of entrepreneurs who combine the resources and introduce innovations to the market has generally been neglected so far.

We find that West German regions benefit from both types of varieties, related and unrelated, and that the effect of unrelated variety is more pronounced. However, interacting the levels of absorptive capacity and of regional new business formation with the two types of varieties we find only the interaction with unrelated variety to be statistically significant while the direct positive effect of related variety on growth remained statistically significant. This indicates that regional R&D activities and entrepreneurial experimentation may stimulate knowledge spillovers and knowledge recombination between unrelated industries but not among related industries.

Our finding that any type of industry diversity is conducive to regional growth contradicts policy concepts that favor a certain type of variety such as the EU smart specialization strategy that focusses on related variety (Foray 2015; McCann and Ortega-Argilés 2015). In contrast to such steering policy concepts that discriminate against certain types of economic activity our analysis suggests that the promotion of regional R&D and of regional

entrepreneurship are much better suited to stimulate and promote regional development. Since new business formation is a main generator of industry diversity in a region (Neffke, Henning and Boschma 2011; Noseleit 2013, 2015), stimulating regional entrepreneurship will contribute to regional industry diversity and to the magnitude of its positive effect on growth.

*Geo Economy and Geo Politics*

## **GEOECONOMICS IN CENTRAL AND EASTERN EUROPE: ROLE OF FDI IN ECONOMIC GROWTH AND CATCHING-UP**

**Zoltán Gál, Centre for Regional Studies of the Hungarian Academy Of Sciences, HUNGARY**

FDI inflows have channelled by foreign MNCs into the CEE in the past 25 years to become the most common type of capital flow. FDI inflow into CEE economies became the predominant type of incoming capital investment in the first stage of the economic transition. FDI inflows have resulted in dramatic changes of ownership structures and privatization of state-owned companies was accompanied by 'foreignization'. The financial sector and high tech manufacturing became the primary targets of foreign investors and the local subsidiaries of MNCs hierarchically commanded from their headquarters generating asymmetric power relations over the region.

The paper investigates the long-term problems of capital accumulation in the context of centre and periphery and dependency models, the systemic features of the integration of post-socialist transition countries in the context of dependent market economy model characterized by high dependency on FDI invested by foreign MNCs into the Central and Eastern Europe (CEE) and on export dependence mainly on Western Europe. The main aim is to analyse the impact of FDI on growth, gross fixed capital accumulation, per capita GNI and export in selected CEECs.

Empirical research based on the hypothesis that FDI does not affect growth in less mature financial markets, and those developing countries relied on external capital grow much slower than those who relied on their own savings. In order to measure the impacts of foreign capital flows on host economies we use regression to statistically verify our presumptions. The time horizon covers the period between 1995-2014 and CEECs. Preliminary results do not find strong correlation between catching up and FDI, rather domestic savings and higher incomes are the most important factors.

The paper argues that the global financial and economic crisis is not only an external shock to CEECs but it also exposed the systemic weaknesses of the post-socialist neo-liberal transition model, which is failed to decrease the relative development gap between the 'old' and 'new' EU members, and has been contributed to growing inter & intra- regional disparities will be measured by geographical disparity indices. Empirical research argues that correlation between higher FDI increase and growth is negative or neutral in the long run. Consequently, foreign investment-led growth model in the CEECs failed to generate internal capital accumulation & savings and also failed to decrease the relative development gap between the 'old' and 'new' EU members. This vulnerability of CEE is exacerbated by geoeconomic problems, both by the predominant external capital & export dependence mainly on Western Europe and energy dependency on Russia.



## **CHALLENGES FOR ENHANCING GOVERNANCE MODELS AND BUILDING SMART BRIDGES BETWEEN URBAN-RURAL CONTEXTS**

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A city is an organism, opposed to a mechanical system, made of complex and intricate processes that keep it alive (Geddes, et al., 1976), in a regional balance where the relation between the city and the surrounding agricultural economy is symbiotic (Geddes, 1915). In addition, the urban context, associated with the idea of smartness - a synonym for sustainability, efficiency, inclusiveness, technology - must necessarily refer to a territory that goes beyond the city, because it affects the entire place-based system on which it gravitates. In other words, the urban dynamism produces a complex territorial geography, irreducible to traditional political, administrative and hierarchical partitions, where the local, regional, sub-national governments need to be integrated to the central or national level.

Based on these premises, the aim of our paper is to highlight how the "traditional" approach to "urban governance" should be rethought as a system capable of turning cities and regions into creative and intelligent ecosystems.

To this end, the paper will be organized into two main sections: the first will offer an overview of how appropriated models of urban-rural interactions are necessary today, in order to cope increasing urbanization trends and the transformation of rural economies. The second will focus on current and future metabolic linkages are affecting urban-rural life and how urban planning can cope with them. Finally, conclusions are exposed, with particular attention to the construction of guidelines for a strategic governance models in order to building smart bridges between urban-rural contexts.

### *Developing Area Studies*

## **COMPARATIVE ANALYSIS OF ECONOMIC DEVELOPMENT AND INCOMES OF THE POPULATION ACROSS THE SUBJECTS OF THE RUSSIAN FEDERATION (1995 – 2013)**

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Surveys, performed by World Bank, IMF, OECD shown, that the Russian Federation has been and now stays far behind the most developed and many developing countries in the level and pace of economic development. At the same time, since the mid-nineties of the nineteenth century, average income per capita has been very low but inequality in income distribution has been very high. These qualities of Russian economy have determined goals, tasks and issues of the research.

First of all, the dynamics of the spatial differentiation of the effectiveness of regional economies and their contribution to the formation of Russia's GDP have considered.

Secondly, the ratio between shares of the population living in the region, shares of GDP and Total Income have examined for all subjects of the RF.

Thirdly, "horizontal" inequality of GDP and Total Income distributions has estimated and compared across the regions of RF.

The study has based on the official statistical data on socio – economic development of 79 Subjects RF, published regularly by ROSSTAT.

Methods of quantitative analysis, such as descriptive statistics, Herfindahl—Hirschman Index, GINI coefficient, Lorenz curve have used in the research.

Geometry of the Lorenz curve for grouped data let us to propose index  $R_i(t)$  as instrument of comparative analysis. It is equal to the ratio between the value of considered indicator in the region  $i$  and in the country as a whole at moment  $t$ . It has used for relative estimation of contribution of each region  $i$  into formation of Russia's GDP and inequality of Total Income distribution by regions. It lets also to make visualization of the changes in the position of each region in the rank of all Subjects during the time.

The trajectories of  $R_i(t)$  have been compared for all 79 regions of Russia ranked by income pc and GDPpc in 1995 separately. Obviously, the dynamics of  $R_i(t)$  is not a Markov process. To estimate trends of  $R_i(t)$ , index  $API(t) = \frac{R_i(t)}{R_i(t_0)}$  named index of accumulated potential has been proposed.  $API(t)$  have estimated for considered indicators (in logarithm scale). Their trajectories have presented “spatial diversity” of country economic development. This method may be useful for studying at municipal level.

This comparative analysis gives us reason to say that the all Subjects have deeply divided to two unequal groups. More then 80% of regions have had stably very low economic development and close to each other. The last 20% of regions have been very vary, the distances between them increased and their economic growth unpredictable. It could say that socio - economic development of regions of Russia may consider in context of “Path Dependence” theory. The next step of investigation will be to determine institutional, governmental, financial, humanitarian and many other factors influenced on social – economic dynamics.

*Special Session: The Emerging City of Milan*

## **IMAGINED SYNERGIES: STRATEGIC URBAN TRANSFORMATION PROCESSES**

**Valentina Gingardi, Gran Sasso Science Institute, ITALY**

As many other European cities, Milan has experienced deep structural changes in the past two decades. A new debate has emerged, concerning the potential development trajectories of the city in relation to its ability to tackle crucial issues like the industrial downturn and the regeneration of the physical capital. In order to relaunch its profile and counteract the threats posed by those changes, Milan has chosen to allocate significant resources for the implementation of ‘mega projects’. The possibility to implement this ‘globalization strategy’ has to be thought as strictly related to a radical change in the spatial planning system at the city-level.

The research has three main aims. First of all, the paper discusses the paradigm shift in planning law that has taken place in Milan. The city has radically changed its approach to spatial planning, moving from a ‘prescriptive model’ to a ‘performative model’ and introducing the concept of flexibility in urban development. A new governance framework has emerged and local public actors have fostered speculative policies and have progressively committed to private players the transformation of urban environment. Consequently, the evolution of Milan’s urban system has started to become more and more linked to the outcome of profound spatial, social and economic transformation of the city. Secondly, the paper will discuss the empirical evidence of a number of key projects that are promoting new patterns of spatial development as a response to new (expected) social preferences. Eventually, the research will focus on the actual or potential synergies among these projects, which should be considered ‘close’ to the metropolitan scale. Therefore, their implementation may deeply change the equilibrium of the urban system as a whole.

Milan’s Plan Document – one of the three instruments that constitute the Piano di Governo del Territorio (PGT) – presents a ‘vision for the city’ and proposes to corroborate it through strategies at different scales. Among these, the ‘theory of epicenters’ covers a key role. According to it, the implementation of a number of strategic projects will generate positive externalities for those sectors of the city that have a ‘certain degree of proximity’ to those urban transformations.

This on-going research attempts to assess the impacts and the effects of different projects and then to investigate the dynamics and the potential synergies that could be activated among these urban

transformations, taking into account what has been argued in the Plan. The aim is to investigate which systemic interdependencies may emerge among the projects and which 'model of effects' has been conceptualized for Milan and its metropolitan area.

*Special Session: Path Dependency and Regional Renewal*

## **HOW SELECTION MECHANISMS IN FINANCIAL INSTITUTIONS CONTRIBUTE TO REGIONAL PATH DEVELOPMENT**

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

Financial institutions are obviously a vital element in the regional innovation ecology. However, they are mostly absent in accounts of regional innovation systems. When financial institutions are indeed dealt with, the focus is often confined to the spatial distribution role of venture capital (Sorensen and Stuart 2001; Martin, Sunley et al. 2002; Martin, Berndt et al. 2005), presumably because venture capital fosters change and new trajectories. Recently, another strand of research in economic geography has surfaced to study the geography of finance in itself (Dixon 2015), but without explicit links it to regional development. This paper addresses this gap by discussing the role of a differentiated set of financial institutions, including banks, venture capital, seed capital and wealthy individuals.

This study concentrates on how the financial institutions select which firms and projects to fund, and how the selection mechanisms enable or constrain development trajectories in their respective regions. The study is guided by an evolutionary perspective on regional economic development. In evolutionary theory, history matters, which is expressed through the concept of path dependency (Arthur 1994). In that context, financial institutions may contribute to new path creation, path transplantation, path diversification or path extension. The first type of process is the emergence of an industry with no technological antecedents; it entails the local creation of an entirely new industry in the region. It should be noted, however, and as expected from evolutionary theory, that also in these cases industrial precursors may be identified elsewhere. Second, a new industry to the region may be an established industry imported and transplanted in the region. In this case, the primary mechanism is the importation of an industry from elsewhere. The success of the transplantation is more dependent on imitation and knowledge and technology transfer from outside the region, rather than innovation. The third category refers to transitions in which an existing industry in a region redeploys its core technologies and knowledge in order to lead or assist the emergence of a related new industry. The fourth category applies to the upgrading and extension of an industry through the infusion of new production technologies and business models or the introduction of product or service enhancements.

The paper is based on 20 in-depth interviews with managers in financial institutions in four Norwegian regions.

*Innovation, Agglomeration, Evolution*

## **INNOVATION POTENTIAL OF POMERANIA REGION IN POLAND**

**Anna Golejewska, Gdańsk University, POLAND**

The notion of innovation potential is used alternatively with such terms as innovation ability (Nowakowska 2009) or engines of innovation (Strahl 2010). Regional innovation potential is defined as a set of region-specific factors influencing its ability to participate in innovation processes. A region can be regarded as innovation incubator providing suitable conditions for creation and development for innovative firms as well as for pro-innovative activities among other important actors in the region (Raines, Ache 2000).

The aim of the paper is to examine the innovation potential of one of the Polish NUTS 2 regions – the Pomerania region, which has one of the country's most diverse economies. In order to achieve the main objective of the paper, the following detailed objectives are expected to be met: 1. presentation of literature review of regional

innovation potential; 2. analysis of economy of Pomerania region; 3. assessment of different endogenous components of innovation potential such as innovative firms, human and social capital, business environment institutions, R&D, activities of regional and local authorities; 4. implications for regional policy. Particular attention will be paid to such issues as clusters, regional innovation system, smart specialisation and the use of EU Structural Funds allocated to research and innovation projects. The research is based on the Local Data Bank maintained by the National Statistical Office (NSO), data provided by the Polish Ministry of Finance, the self-government of the Pomeranian Voivodship and the Pomerania Development Agency. As research methods, the author used descriptive analysis, analysis of strategic documents and statistical analysis.

Although low percentage of Pomerania's firms implements innovation, those firms, which do it, achieve one of the best results in a country. Since 2006, Pomerania region is a leader in terms of the share of new or substantially modernised products in total revenues. The region has one of the highest input- and output-index of innovativeness among Polish regions (Golejewska, Social Research 2013). Thus, in the region there is a potential and at the same time a need for funding for innovative projects. In the programming period 2007-2013, the majority of innovative projects co-financed under the Pomerania Regional Operational Programme has been implemented in manufacturing. However, only a small part of them are in high-technology sectors, that are very important for diffusion of innovation. Unfortunately, only a small part of projects is related to investment in firm's R&D activity. Most of them focus on implementation activity. There exist more than 20 clusters in Pomerania region, of which 3 are considered as key clusters: ICT, Eco-Energy and Construction. The weak points of clusters activity remain low level of R&D spending and a small number of innovations subject to legal protection. A bottom-up choice of smart specialisations is an interesting experience for local authorities, however its effectiveness will be possible to assess at the end of the current programming period.

*Local and Regional Economic Development and Planning*

## **PROCESSES OF LONGUE DURÉE IN THE PERSPECTIVE OF LOCAL POLAND**

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During the long and complicated history of Poland the regional patterns have been slowly developing. The first major division of the present territories of the country took place at the end of Middle Ages when modernisation coming from the West, in its institutional and technological dimensions, was to a great extent stopped by the Vistula river, dividing since then the eastern, poorer part of the country from its western part, more developed and advanced.

The 19th century was crucial for the regional divisions of the country due to the fact that its particular parts belonged to three different statehoods: Prussian (later German), Austrian and Russian. This has marked the strongest impact seen even to-day. In 1945 the fourth major historical region emerged within current boundaries of Poland – the western and northern territories lost by Germany and (re)incorporated into the Polish state as a result of the WW2.

All these divisions are clearly seen on maps of socio-economic and political phenomena observed through the perspective of the local units – municipalities (there are over 2500 of them in Poland). Local comparisons – both those basing on “hard” statistical data and those coming from municipal surveys - prove that the “longue durée” (as coined by Fernand Braudel) holds true even after major economic and political changes that occurred in the course of 20th and 21st centuries.

The last period after 1990 introduced in the post-socialist states of Europe (and in Poland too) a new phenomenon: metropolisation which emerged and proceeded spontaneously, without much involvement of public policies. As a result, the two dimensions: historical and metropolitan shape the present socio-economic space of the country.

Is Poland unique in this respect? The answer is negative: in most (if not all) countries the impact of history can be clearly seen and only in few places it is reshaped by rapid economic change. Is therefore the regional policy harmless in the face of these objective processes – one shaped by historic inertia, and the second by vivid

economic restructuring? Yes, one has to be modest, and try to achieve only slow changes of the territorial macrostructures, without having much hopes for rapid reshaping the regional patterns, no matter how strongly the regional policies are determined and how generously fed they are with financial resources.

*Leadership and Governance*

## **THE PROGRAMME CONTRIBUTION TO EUSALP IN THE ALPINE SPACE MULTI-LEVEL GOVERNANCE PERSPECTIVE**

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### CONCEPTUAL FRAMEWORK

The European Strategy for the Alpine Region (EUSALP) is expected to be endorsed by the EP and the European Council within 2015. The strategy involves 7 countries, of which 5 EU Member States (Austria, France, Germany, Italy and Slovenia) and 2 non-EU Member States (Liechtenstein and Switzerland) which have as a common geographical feature the Alps. It pursues three objectives: 1) fostering sustainable growth and promoting innovation in the Alps; 2) connectivity for all; 3) ensuring sustainability in the Alps.

### RESEARCH FOCUS

Compared to other macro-regional strategies at an implementation phase (EUSBSR, EUSDR, EUSAIR), the EUSALP has not been approved yet while the programmes in the area were drafted and adopted. This is a critical point which puts at risk the implementation of the strategy as well as its leadership role in the area for the next 7 years. Therefore the key research question is: "Do the programmes in the area contribute to achieving the EUSALP objectives? And if so, to what extent?"

For highlighting and illustrating the links between EUSALP pillars and Cohesion Policy, a few programmes will be selected and compared with EUSALP. Interesting examples are e.g. the transnational Alpine Space programme, cross-border cooperation programmes and regional ERDF mainstream programmes.

For each of the selected programmes, an analysis will be performed to highlight the main identified needs and challenges and to highlight bilateral thematic intersections. In particular, a comparative analysis of the approached themes in the programmes and EUSALP will be conducted through document review and desk research, data analysis and matrix based techniques. Within the identified thematic overlaps, an analysis of the corresponding governance structures will be conducted. This will include a correspondingly relevant overview of the complex multi-level governance, starting from the regional and national level of the EU and non-EU Member States participating in the strategy to the transnational organisations operating in the area.

Within the analysis of governance structures of overlapping themes, for each case (i.e. comparison between a programme and EUSALP) one theme may be deepened by highlighting in particular the relation of governance structures between the corresponding sector policy and spatial development policy. This could for instance concern transport and connectivity and the different governance structures followed by the respective programmes and EUSALP.

The findings for the different programme-EUSALP relations are then combined for identifying multi-level governance patterns and differences which may affect the contributions of different programmes to the implementation of EUSALP.

**OBSTACLES AND POSSIBILITIES WITH COLLABORATION IN MUNICIPAL PUBLIC SECTOR: A STUDY OF COLLABORATION BETWEEN THE RESCUE SERVICE AND HOME-HELP SERVICES**

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**Ulrika Jansson, Center för gender Research, SWEDEN**

The aim of collaboration in municipal public sector is to ensure welfare and safety for its citizen, as well as to ensure economic sustainability in the municipality. Different forms of collaboration in the public sector can be an important part of sustaining a satisfactory service, especially in regions with a declining population, but also to give a faster and better service in all kind of regions. In this study we put focus on collaboration between municipal rescue service and home-help service, a collaboration that can be placed in civil and societal contingency and preparedness for unexpected events.

Both the rescue service and the home-help service are highly gendered sectors. The point of departure for this study is that the gender coding of occupations and competences lay down conditions for the collaboration, why it is important to shed light on these codings and how they effect an effective collaboration and sustainable implementation. Our understanding is that gender is a social construction that is produced and reproduced through interaction. This construction have effect on how we are “made” as men and women, how we are formed as individuals, and how the society is both symbolic and structurally organized around what is conceived and perceived as male and female duties, occupations and places.

The results of this study build on 30 interviews with staff in rescue services and home-care services (both employees and heads of these services). The results show that collaborations differ between municipalities, both what is included in the collaboration and how it is staged and performed, and that the processes of collaboration are complex and that they challenge ideal of organization, contents, responsibilities and who or whom should do different work tasks. We can see that conceptions of gender in male and female dominated work are often reproduced and reinforced in many of the studied cases, which hinder an effective service. But we can also notice that the collaboration by home-care service staff is perceived as a possibility for increased status and better resources when they collaborate with the rescue service.

*Case studies in innovation*

**REGIONAL INNOVATION STRATEGIES AND FOOD INDUSTRY – EVIDENCE FROM THE POLISH EXPERIENCE**

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The purpose of the paper is the assessment of the Regional Innovation Strategies (RIS) and their impact on the development of the innovation in the Polish food industry. The analysis has been carried out on the basis of secondary sources included in documents and studies obtained in the process of the RIS implementation in the EU and in Poland.

The Regional Innovation Strategies have been present in Poland for more than ten years. However, most of them are only at the beginning of supporting the innovation in this country. The conducted surveys indicate that the low level of innovativeness in Poland is accompanied by a strong diversity between the Polish regions. The size of innovative potential of different provinces depends on their level of economic development measured by the GDP value.

What's interesting, the interrelations between the quality of strategic documents and actions related to the preparation and implementation of RIS and the innovativeness of regions in Poland have not been observed. The level of innovation and the effectiveness of use of the existing potential do not depend on RIS, but on many other factors. Among the most important ones the awareness of entrepreneurs about the need to introduce innovations in companies must be mentioned.

It has been noted that the regions allocating larger expenses for the investment in the food industry in relation to manufacturing have been quoted in the middle of the ranking of provinces in terms of a synthetic innovation ratio of the regions. It confirms the hypothesis that regions of smaller innovative capacity are based mainly on traditional sectors.

The evaluation of RIS impact on food industry in Poland is quite difficult at the present stage. First innovation strategies contained too many priorities, if the aforementioned sector was mentioned, among others. An additional problem is the lack of monitoring and evaluation of the RIS. It can be assumed that the obligation to enter smart specializations and their evaluation should significantly facilitate analysis of the influence of RIS3 on agricultural-food sector. However, the concept of smart specializations is a new one and it needs time to obtain relevant information for testing.

A significant problem in the future may prove to be the choosing of the traditional specialization by some less innovative regions, which include agricultural-food sector. Then there is a risk of slowdown in their economic development in the future. For this reason, it is important to constantly seek the possibilities of creation and commercialization of innovations at the contact point of traditional and advanced industries as e.g. agricultural-food sector and biotechnology sector. In addition, a good initiative would be building superregional innovation strategies forming a common system of the development of innovations based on endogenous potentials of particular regions.

*Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

#### **SPATIAL JUSTICE AND THE WELFARE STATE: SGI PROVISION IN PERIPHERAL AUSTRIA AND SWEDEN**

**Elisabeth Gruber, University of Vienna, AUSTRIA**

**Daniel Rauhut, Norwegian Institute of Urban and Regional Studies, NORWAY**

The aftermath of the 2009 financial crisis limits the possibilities for governments to stimulate the provision of services and infrastructures in peripheral areas. Also countries that were relatively unaffected by the 2009 economic crisis, e.g. Austria and Sweden, face challenges related to the provision of Services of General Interest (SGI) in such areas. Population aging and outmigration limit the demand and increase the production costs for providing welfare services in these areas.

The aim of this paper is to discuss what adaption strategies are used to deal with the demographic challenges in peripheral areas in Austria and Sweden to maintain reasonable levels of SGI provision. The results show that both countries face significant problems in keeping the present levels of provision of SGI in peripheral areas. While Sweden has dropped its own ambitions in creating spatial justice, and instead turning to the EU Structural Funds, Austria seems to still maintain a comprehensive provision of welfare services under difficult preconditions.

*Special Session: Knowledge Dynamics and Regional Development Policy in the Transition to Sustainable Development, Circular Economy and Bio Economy*

#### **REGIONAL COMPARISONS OF QUADRUPLE HELIX, SMART SPECIALISATION AND BIO ECONOMY**

**Ida Grundel, Karlstad University, SWEDEN**

**Margareta Dahlström, Dep. of Geography, Media and Communication, SWEDEN**

In the transition to a more sustainable society, concepts such as bio economy and circular economy are pointed out from the European commission as a way to transform the European economy. It can also be seen as an expression of new challenges facing our times for example climate change, food crisis, migration, and fuel- and energy crisis. A transition from an economy based on dependence on fossil fuels and materials into a bio economy or a circular economy calls for new challenge driven innovations in firms and industries, organisations, the service sector, health care, academy, authorities, and civil society. Another part of redirecting the current

economy into becoming more sustainable is the necessity of collaboration between more actors than in earlier innovation systems such as triple helix. There is a demand of collaboration between as well civil society, authorities, firms and industries as the academy based on the need of different kinds of knowledges. In turn, this can be seen as a shift from earlier regional innovation systems (RIS) such as triple helix to a quadruple or a quintuple helix model.

Smart specialisation is one way in which the European Union aims to develop smart, sustainable and inclusive growth, whereas the member states and regions are required to develop smart specialisation strategies (RIS3). These strategies are used to identify regional strengths and assets seen as a resource to create as well regional, national as European competitiveness. As a result some European regions have formed the so called Vanguard Initiative – New growth through Smart Specialisation. The aim with the initiative is to enhance growth by entrepreneurial processes and industrial renewal. Strong leadership and strong partnerships are lifted as essential for development. One of the pilot projects New growth through smart specialisation – bio economy pilot is specifically directed towards bio economy and the development of new value chains. However, the transition into a bio based economy also calls for the inclusion of civil society in regional innovation systems. By a comparative study of some of the regions in the bio economy pilot this paper intends to point to the relation between the further development of current triple helix systems into quadruple helix and/or quintuple helix models and paths towards sustainable development through smart specialisation and a transition to bio economy. What is the role of civil society and how are they represented in the regional innovation system?

#### *Leadership and Governance*

### **HOW TO KNOW IF MULTI-LEVEL GOVERNANCE WORKS: A NEW APPROACH TO MAP AND MONITOR GOVERNANCE SYSTEMS OF MACRO-REGIONAL STRATEGIES**

**Silke Haarich, GERMANY**

Macro-regional strategies are integrated governance frameworks which allow different countries and regions in a defined geographical area to address common challenges, thereby benefitting from strengthened cooperation contributing to common development goals. Currently, there are four macro-regional strategies in place in the European Union (Baltic Sea, Danube, Adriatic and Ionian, Alpine). Governance arrangements used to develop and implement macro-regional strategies are supposed to offer an added value against other forms of (bilateral) governance, as they promote a transnational, integrated (multi-sector, various actors and administration levels) and participatory (public, business, civil society) approach to strategic planning. Therefore, they are vivid examples of multi-level governance.

The concept of multi-level governance is generally known as coordinated action between the EU, the Member States and regional and local authorities, according to the principles of subsidiarity and proportionality, even in cooperation with other private or non-governmental actors. Drawn-up to define policy goals and to implement policies, it can take the form of ad-hoc and/or semi-institutionalised partnerships. The more complex and integrated the challenges become (climate change, migration, unemployment etc.), the more it is necessary to find coordinated and integrated forms of governance to deal with them. Multi-level governance has the advantage that it can overcome the usual limits to efficiency and effectiveness of policy-making, i.e. lack of coordination, lack of communication and cooperation. On the other hand, multi-level governance is also extremely difficult to be put in practice and to be maintained over time – e.g. resisting election campaigns, changes in governments and staff turnover. It adds an additional layer to existing administrative and decision-making structures. Although it has to rely on personal commitment and leadership, it also needs to find systemic procedures and techniques to withstand constant flows of people and knowledge.

Dealing with complex governance systems, i.e. macro-regional strategies, requires a systemic perspective and specific analytical capabilities. Useful theoretical approaches can be found especially in the field of organisational theory (e.g. Perrow's 'Complex Organisations') and in social systems theory (e.g. Luhmann and Wilke). Insights into multi-level governance can be drawn also from the research field dedicated to multi-agent systems (computer sciences).



Experts highlight that the effectiveness of a system is not the sum of the effectiveness of the individual parts of that system (e.g. Wilke's Systemtheorie, 2000). This paper is based on the hypotheses that specific systemic capacities, beyond personal competences and organisational skills, are needed for multi-level governance systems and that these capacities can be identified and evaluated on a periodic basis, if adequate tools are in place. This would allow to map and monitor multi-governance capacities that cover political, management, coordination capacities as well as the governance environment.

Therefore, this paper proposes the Governance Assessment Scorecard (GOA), a new method that does not ignore the complexity of transnational cooperation processes, but provides at the same time a simple and handy enough tool to be used in the assessment of macro-regional governance systems that will allow its continuous development and improvement.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **LEARNINGS FROM 15 YEARS OF REGIONAL CLUSTER DEVELOPMENT – ARE CLUSTERS OUTDATED OR A TOOL FOR THE FUTURE?**

**Simone Hagenauer, Ecoplus. The Business Agency of Lower Austria, AUSTRIA**

The cluster concept has been introduced in the Lower Austrian regional economic policy in 2001. In the last 15 years the region started 8 cluster initiatives, 2 of them in cooperation with neighbouring regions; merged 2 initiatives to one with a broader basis but a more clear common focus; closed 3 initiatives that didn't perform in the expected way. Based on a continuous learning process of involved companies, policy makers and the "umbrella cluster organisation" ecoplus the Lower Austrian cluster programme has been adapted and further improved to an integral part of the regional innovation system and a tool to develop regional smart specialization.

Multi annual experience and documentation shows changes in the cluster activities over time:

- from joint qualification to joint (pre-competitive) R&D&I in collaborative projects;
- from small projects with 3-5 partners towards more complex projects dealing issues relevant for a whole sector;
- increasingly cross-sector collaboration.

Place matters: The cluster initiatives still have a regional approach. An evaluation in 2010 showed that collaborative projects are usually carried out with partners located in a radius less than a one hour drive by car. In terms of international cooperation the clusters focus on inwards know-how transfer, i.e. collaborative applied R&D projects providing the opportunity to learn from experts and peers in other regions.

The efforts to build trust among cluster members and to integrate the clusters in the overall regional innovation system in the past now enable collaboration at a higher level fostering cross-sector innovation, the transformation of existing or emergence of new industries. The cluster structures are increasingly recognized as a vehicle to introduce cross-cutting technologies or new regulations, as facilities to pave the way for cross-cluster innovation. As a prerequisite clusters need a strategy that aims for a holistic approach and that is aligned with the regional innovation strategy. They should avoid solitaire projects and activities, but develop systemic solutions and help to develop new topics with regional added value.

*Innovation, Agglomeration, Evolution*

## **PROSPERITY AND CRISIS IN THE ALPS: IDEAS FOR A COMPARATIVE STUDY ON THE DEVELOPMENT OF ALPINE COMMUNITIES IN FRANCE, ITALY, SWITZERLAND AND AUSTRIA**

**Max Haller, Karl-Franzens-University Graz, AUSTRIA**

The Alps are a very important and scientifically interesting European macro-region, not only as a transit and tourist region, but also as provider of specific agricultural, arts and crafts products. The structure and public

image of the Alps has changed fundamentally over the last centuries. Formerly seen as a wild and dangerous mountain area, it is now in fact a prosperous region which attracts people from all over the world; even city dwellers from agglomerations in North and South are eager to buy apartment to live in the Alps. Yet, the development in the Alps has been highly diverse; while many regions are very prosperous, others suffer from economic decline and population decrease. The present study wants to investigate the reasons for these differences. It develops hypotheses concerning four factors: geographic-topological structures; the geographic location and traffic links; the strength of local socio-cultural identity and traditions; the degree of local and regional political autonomy. The main methodology of the study consists in case-studies of about two or three communities in the French, Italian, Swiss and Austrian Alps; they shall use quantitative data as well as small surveys and expert interviews. The case studies shall be supplemented by quantitative analyses of two kinds: A re-analysis of national social surveys in the three countries included, comparing the values and social behaviors of the Alpine population with those of people outside the Alps; the development and analysis of a new macro data set on all Alpine regions, including data on their social and economic structures, political situation and population development.

*Local and Regional Economic Development and Planning*

## **REGIONAL DEVELOPMENT WITHIN GLOBAL CAPITALISM: SOME FINDINGS FROM INDIA**

**Anita Hammer, De Montfort University, UNITED KINGDOM**

Analyses of capitalism, for example GPN analysis, often privilege the firm and the sphere of production, neglecting other actors especially labour and the sphere of reproduction. Likewise, they conceptualise development as economic, i.e. value creation, enhancement and capture, neglecting social and cultural dimensions of development (for a critique see Coe and Hess 2013; Kelly 2013). This paper argues that a focus on labour as actors and on development in its broader sense allows a more nuanced understanding of the development of a region as global capitalism intersects place specific social relations. By doing so, the paper challenges the projection of regions in the Global South as either regions of innovation or regions of exploitation. Instead, it demonstrates how different actors actively construct social relations in particular place that influences their resources and options and determine development paths and prospects of the region.

This paper comes out of long term ongoing research in a new industrializing region in India. India is a rich context where different regions exhibit wide disparities in development. Such substantial regional variations have increased as many regions get articulated into the global economy in very specific ways. The region of study is a peri-urban area situated within global capitalism through multinational firms, but with agriculture remaining as one of the main sources of income. The paper explores the region's development trajectory to understand the specific nature of its development by recombining insights from sociology of work, feminist perspectives and geography.

The paper analyses the region as a product of its specific history and the particular social coalitions and struggles that display structural continuities and interconnections. It demonstrates that development of a region is a complex and multi-scalar phenomenon involving not just the firm based networks, state and regional assets but also the actors and spaces of both production and reproduction that create and mediate the dynamics of development. It builds on Kelly's (2009) research that demonstrates how the effects of industrial development spread out into the community and households - sites of social reproduction - and integrate them into industrial development. The region's interaction with global capitalism occurs through various, continuously restructured and contested routes such as through MNCs and state directed policies in negotiation with labour, households, communities and social institutions across spaces and scales. The region, firms and communities adjust to and mediate global changes in different ways that are spatially embedded. This has implications for social and political struggles that can be local and/or global.

**John Harrison, Loughborough University, UNITED KINGDOM**

**Darren Smith, Loughborough University, UNITED KINGDOM**

**Chloe Kinton, Loughborough University, UNITED KINGDOM**

This paper opens up work on the changing institutional geographies of higher education to contend that new transregional institutional alliances reveal a significant reorientation in the spatial organisation of higher education praxis: away from the relatively uniform pattern of regional space associated with territorial regionalism and ostensibly Keynesian logic for inclusive approaches to regional development, towards increasingly complex configurations of regional space that result from embracing relational regionalism and closer alignment to a neoliberal, free-market insistence on more intensively targeted, exclusive approach to regional development.

In the paper we argue that the rise of transregional consortia in higher education reflects a desire to remake extant territorial regions along more exclusive lines by identifying a set of elite universities. Conceptually, we find higher education to be more conducive to the weakening of fixed regional territories and emergence of more resolutely relational configurations of networked regions than other policy spheres. In this way we aim to show how these new institutional geographies are an embodiment of how regions are being intensely reworked – by strengthening and fixing some, weakening or dismantling others, and imagining new ones – to embrace the opportunities presented, and confront the challenges posed, by our increasingly globalised modern world. We show that despite a new expression of (relational) regionalism being evident this does not necessarily imply a particularly deep-rooted regionalism, with some consortia moving towards stronger institutionalised forms while others appear not. To this end, our research recognises that with the overall configuration of regions becoming ever more complex, fragmented, and, undoubtedly, uneven, and thus we aim to instil some coherence to these debates by proposing the metaphor of regional constellations.

**Silje Haus-Reve, NORWAY**

**Rune Dahl Fitjar, UiS Business School and Centre for Innovation Research, NORWAY**

Inter-regional differences in economic development have grown in recent decades, even as development levels have converged at the national scale (Puga 2002; Rodríguez-Pose 2012; Farole 2013). There are striking disparities among national economies, but also between sub-national entities (regions) within countries. This is harmful for social cohesion and detrimental to ideals of equal opportunities across geographical space. Regional divergence is partly a result of globalisation, which has led to an increasing concentration of economic activity in core areas, especially innovative and skill-intensive activities. As a result, regional policy-makers across the world are developing policies to promote innovation and attract labour and capital, and national and international governments (e.g. the EU) are trying to promote development in lagging regions. Trying to understand the processes of development has been a major task facing social scientists for decades. However, current models of economic growth still have large residuals, and their predictive power has actually declined somewhat in recent years.

The neo-classical and endogenous growth models focusing on physical and human capital (e.g. Solow 1956; Romer 1986) are unable to fully account for the disparities in economic development across countries – and indeed tend to explain a smaller proportion of the variance than they used to – has led to a growing interest in institutions as a potentially important driver of development (Rodrik et al. 2004). In this tradition, institutions are the rules of the game which determine actors' costs and pay-offs to different actions, such as whether it is worthwhile to invest in innovation and economic productivity (Acemoglu & Robinson 2012; Fukuyama 2014). In this paper we will provide insights into the drivers of regional economic development, which will be important for policy-makers at all levels of government, in Norway as well as abroad. Regional, national and supranational governments spend a large amount of public funding trying to promote regional economic development, and

the development of more targeted and effective policy tools would therefore be of great public benefit. The development of institutions that are more beneficial to economic development is particularly important for peripheral regions, where such institutional capacity is currently most lacking. This paper is therefore important in achieving economic convergence between regions both within countries and at the European and international level.

*Special Session: Path Dependency and Regional Renewal*

## **BACK TO WORK. MAJOR REDUNDANCIES AND PEOPLE'S RETURN TO EMPLOYMENT**

**Martin Henning, School of Business, Economics and Law, University of Gothenburg, SWEDEN**

**Rikard Eriksson, Umeå University, SWEDEN**

**Emelie Hane-Weijman, Umeå University, SWEDEN**

Many studies have provided insights into which individual level factors (such as age, education, and tenure) influence the likelihood of redundant labor becoming re-employed or facing displacement. However, not only individual factors are likely to influence the process of 'returning to work': recent contributions have started to investigate the role of the 'absorptive capacity' of regional labour markets to accommodate redundancies. Especially, arguments hold that an important aspect of the regional absorptive capacity of regional labor markets could be found in the presence of related industries.

This paper investigates one through five year labor market outcomes for the roughly 345,000 employees that are separated from their jobs following plant closure or a major downsizing in Sweden between 1990 and 2005. First, we are especially interested in which individual characteristics influence the probability of redundant labor to return to work, at different points in time after the redundancy itself. Since we use longitudinal register data from Statistics Sweden, we are able to not only assess effects of traditional individual factors such as age and education, but also different relevant activities such as training or education after redundancy. Second, we are interested in how the qualitative characteristics of the regional economy, such as the presence of same or related industries, influence the probability to return to work. Third, we do not restrict ourselves to the manufacturing sector, but we are concerned with the entire economy. Forth, we consider mobility between regions and industries in relation to individual and regional characteristics to explain some of the re-employment patterns.

While the regional absorptive capacity is very important to the individuals in the first year after the redundancy (i.e. to return to work more or less immediately), we only observe strong effects for present related industries after the first year. A regional move does not seem to help that much either, even if the share of people moving their home region when they do not get employed again, increases steadily. There are therefore important qualitative dimensions, and time-limited effects, to the regional absorptive capacity of the labor markets. Especially, opportunities created in related industries have a long-lasting effect on the prospects of redundant workers to return to work. How individuals take advantage of the regional absorptive capacity of the regional labor market is also of prime concern. The flexibility of individuals to move outside their industry of origin, and their home market region, will vary. Overall, our results suggest that integrating the perspectives of economic dynamics, evolutionary change and labor geography is fruitful to create a further understanding of how major redundancies need not to be disastrous to regional economies in the longer run.

## **EXPANSION OF FIBRE-OPTIC BROADBAND INTERNET ACCESS FOR RURAL AREAS IN SWEDEN – LOCAL PLANNING AND LOCAL EFFECTS**

**Brita Hermelin, Linköping University, SWEDEN**

**Dick Magnusson, Linköping University, SWEDEN**

IT, internet and broadband have for several years been seen as important factors for growth, innovation and democracy. On EU-level, as well as national, regional and local levels, strategies and goals are adopted and implemented in order to keep up with a constant technical development and anticipations of positive economical and societal effects. Sweden has had ambitious goals for internet diffusion for several decades and today 91 percent of Swedish inhabitants have access to internet and 88 percent to broadband. As urban areas are becoming saturated of fibre expansion, rural areas are being focused to a larger extent.

The aim of the paper is to investigate the broadband expansion for a local rural area in Sweden in a wider context of the policy for this infrastructure rollout. This aim means to study how general and “high-level” policy and discourse about internet is translated locally and the paper investigates two research questions pertaining (i) how local planning is designed and implemented for the development of fibre-optic broadband for rural areas; and (ii) how receiving households and companies in these rural areas use the supply of the broadband infrastructure.

The first research question involves to discuss how local authority in their policy for fibre-optic broadband expansion to rural areas designs and integrates physical and strategic planning and how planning activities connect with local development and growth policies. The second research question means to consider the effects of broadband expansion. The analysis of the paper involves to discuss these two research questions in interactions and in terms of in which way the design of local planning for broadband affects how this new infrastructure becomes a resource for rural development.

The empirical data of the paper includes primary data and documents from the local authority, stakeholder and local groups involved in the fibre-optic broadband development. The data also includes a survey to households and companies that were connected to the fibre system in the investigated rural areas, targeting 936 households. This survey reveals differences in internet use before and after connecting to the system. The effects of the new infrastructure for internet communication on everyday life is evident. The survey also indicates experiences among companies that the broadband access has eased some tasks of their business. The concluding discussion integrates the two research questions of the paper and in this way it is reflected on how local planning have impacts on the effects of broadband infrastructure for rural development.

## **INSTITUTIONAL DETERMINANTS OF REGIONAL GOVERNMENTS’ VISIBILITY**

**Ana Herrero-Alcalde, Universidad Nacional de Educación a Distancia, SPAIN**

**María Goenaga-Ruiz de Zuazu, Universidad Complutense de Madrid, SPAIN**

**Jose Manuel Tranchez-Martin, Universidad Nacional de Educacion a Distancia, SPAIN**

Existing literature highlights the importance of governments’ visibility for a proper performance of accountability processes in democratic systems. When citizens don’t know who is doing what, it is unlikely that their decisions voting for (or against) the incumbents are efficient. And this is particularly problematic within a multilevel system of government, in which different authorities share powers on the same areas. This paper contributes to the literature on the visibility of spending powers of sub-central governments by analyzing the determinants of citizens’ correct/incorrect attribution of responsibilities to Spanish regional authorities (Autonomous Communities).

Most of the previous research on this topic has focused on the impact of individual heterogeneity on the attribution of powers and evaluation of both policies and politicians, showing that individual traits such as

human capital, age, race, political sophistication and ideology condition the accountability process. However, more recent research has showed that institutional clarity and some other external features that ease or disrupt the flow of information from public centers to citizens are also important drivers of the attribution of responsibilities.

Using two different data sets published by the Spanish Institute of Fiscal Studies (IEF) and the Spanish Center of Sociologic Research (CIS), we explore the impact of several institutional elements that could be affecting the (modest) improvement of visibility of regional governments in the last few years. Unlike previous research on the topic, this paper will focus on the “Don’t know/No Answer” replies, in order to detect the main characteristics that underlie the high levels of no response in both surveys. Due to the qualitative nature of our dependent variables, both a logit and multinomial model will be used. Our findings show that the regional electoral cycle, the existence of a co-official language, the existence of a regional public TV station, and the economic crisis have contributed to improve the visibility of regional governments.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

### **IS THERE ECONOMIC LIFE BEYOND THE ENGLISH CORE CITIES: COMPANY PERCEPTIONS FROM THE MERSEY DEE ALLIANCE CROSS BORDER ECONOMY OF NE WALES AND NW ENGLAND?**

**Paul Hildreth, University College London, UNITED KINGDOM**

This presentation will share initial findings from interviews of Directors of 60 companies from a mixed urban and rural landscape about they interpret their location and development in the context of the local and wider economy. Firms were asked about their choice of location, how they relate to the local economy and their connections externally to the UK and global economy. The perceptions of companies of appropriate national and local public policy were also explored. The interviews formed an integral part of a study to examine the contribution that governance institutions might make to the realisation of economic and social potential of sub-national places. The site of the interviews was the area known as the Mersey Dee Alliance economic area crossing the England and Wales national boundaries of NE Wales and NW England. The results highlight how a complex mix of cost based, agglomeration and place-based factors impact on the locational choices of companies and their strategies towards market development.

*Urban and Regional Theory, Methodology and Data*

### **TEMPORARY URBANISM IN ENGLAND’S CORE CITIES: LOOKING BEYOND THE ICONIC**

**Stephen Hincks, University of Manchester, UNITED KINGDOM**

**Michael Martin, University of Manchester, UNITED KINGDOM**

Building an understanding of what temporary use is, the role that it plays, and the function it fulfils has been the subject of an expanding literature since the mid-2000s. Such academic and media coverage has since consistently surmised temporary as an urban agenda oriented toward leisure, trade, tourism and urban greening within large metropolises, capital cities and macro economies (conurbations like: Berlin, Amsterdam, London, Vienna and New York).

Consequently, and in spite of their overtly atypical contexts, isolated and often repetitive cases of temporary occurring within different contexts at contrasting intervals of time, have fast become misinterpreted as general representation of the ‘temporary condition’. Nonetheless, they consistently fail to depict the reality of the ‘temporary condition’ or to consider the ordinary within this context.

Temporary urbanism has become an element of urban theory transfixed with the apparent success and dynamism of explicit, stylish practices within creative (mostly global) cities. Whilst previous studies have been valuable in offering insight into the nature of this peculiar urban context, there is now a need to construct an

alternative inflection in urban-regional theory that seeks to reflect the experiences of cities beyond the global city network.

Similar to the lack of consideration of ordinary realities, systematic studies of the spatio-temporal dimensions of temporary use within specific geographical contexts are limited. Reviews addressing how temporary uses have been mobilised over time within specific conurbations or sets of conurbations remain a rarity.

It is the aim of this paper to destabilise the existing treatment of the 'temporary' as some kind of iconic, stylish, and overtly radical condition. Instead, a broader approach to cities, an approach more inclusive of the diversity of experience in ordinary cities, will be presented. Alongside this and in order to better understand the role and function of temporary use, changes over time within these ordinary conurbations will be examined.

The research deployed a systematic quantitative methodology to collect and collate 5883 applications for temporary use within the eight Core Cities' of England over a fifteen year period (2000-2015). These 5883 cases were coded to assess a number of core variables within the temporary use debate looking in depth at temporary urbanism within: Birmingham; Bristol; Leeds; Liverpool; Manchester; Newcastle; Nottingham and Sheffield.

Employing multinomial logistic regression, various models were developed to identify statistically significant relationships within a range of structural variables that include: type of temporary use; time of occurrence; the function of space appropriated; decisions taken and; whether instances were isolated or happened to re-occur over the fifteen year time period. Through this analysis of Big Data, this paper discusses findings which debunk a considerable number of assumptions about temporary use, ultimately posing some alternative questions as to the true role and function of temporary use within cities.

*Identity, Citizenship and Lived Differences*

## **SCHOLARS AS REGION-BUILDERS? CONSTRUCTING RUSSIA IN THE BALTIC SEA REGION AFTER THE COLD WAR**

**Clarissa Hirst, Karlstad University, SWEDEN**

In spite of purportedly inclusive regional cooperation frameworks in the Baltic Sea Region (BSR) such as the EU's Northern Dimension, Russia's role in such programmes is limited, posing a fundamental problem for cross-border cooperation. If Russia does not actively participate in regional cooperation projects then issues of regional concern will surely fail to be resolved. In order to attempt to combat this problem, this paper will examine how Russia is positioned in the scholarship and whether scholarly constructions influence the practical realities of cooperation in the region.

The West has historically constructed Russia as the Other (Neumann, 1998; Browning, 2003), while Russian discourse in turn has engaged in self-exclusion and contributed to its own Othering (Neumann, 1996; Prozorov, 2009). Locating my analysis within wider debates on how Europe and Russia construct their identities in relation to one another, I focus on International Relations (IR) scholarship produced between 1991 and 2015 that deals with how discourses of exclusion and Othering have played out in the BSR, a region that emerged as an object of scholarly analysis in IR literature after the end of the Cold War (Wæver, 1992).

I adopt Neumann's (1992) region-building approach that perceives regions to be "imagined communities"; socially constructed by political actors. This paper considers scholars as region-builders who contribute to perceptions of who is included in a particular region. This paper argues that the construction of Russia in the BSR by IR scholars since the collapse of the Soviet Union has contributed to its exclusion from the BSR, a position that is impacting negatively upon cross-border cooperation in the region. It poses the following questions: how have scholars positioned Russia in the BSR during the period 1991-2015? What has contributed to changes in the extent to which Russia has been included in the region, and excluded from it? What are the implications of Russia's exclusion in the scholarship for cross-border cooperation in the BSR?

The literature indicates that the EU's purported postmodernist project of breaking down borders does not apply to the BSR, which is being subjected to more modernist understandings of territory as the EU attempts to

safeguard its external boundaries. My hypothesis is that this literature reflects the idea that the EU is building walls rather than bridges in the BSR and therefore plays a role in hampering cross-border cooperation efforts. On a theoretical level, this paper contributes to an understanding of how Russia has been positioned in the BSR since the end of the Cold War. It serves as a starting point for further analysis of Russia's construction within the BSR in official discourse, foreign policy and cross-border cooperation programme documentation. On a practical level, it will create awareness of the impact of ideas and constructed identities upon practical cooperation and emphasise the importance of placing problems of regional concern above politics.

#### *Leadership and Governance*

### **AN INNOVATION IN URBAN GOVERNANCE: IMPLEMENTING LIVING LABS AND CITY LABS THROUGH TRANSNATIONAL KNOWLEDGE AND EXPERIENCE EXCHANGE**

**Thomas Hoeflehner, RCE Graz-Styria, University of Graz, Austria, AUSTRIA**  
**Friedrich M. Zimmermann, RCE Graz-Styria, University of Graz, AUSTRIA**

We live in a globalized world that is dynamically becoming more urban and interconnected, leading to complex challenges that are increasingly difficult to manage. However, urban resilience strongly depends on how cities are able to deal with abrupt or chronic ecological, social and economic disturbances. Multi-level governance structures are necessary and allow urban stakeholders to adapt to current challenges or to set impulses for transformative practices toward sustainable development. But such adaptive and transformative management approaches in urban development are only successful if perspectives of different stakeholders are involved and implemented. This calls for effective linkages of top-down and bottom-up initiatives, promoting the sustainable self-government of cities. Yet, in many European cities a common dissatisfaction with current and previous public participation formats in urban and regional development can be observed, leading to the quest for new, more open, flexible and inclusive forms of governance. Only recently, participatory spaces such as living labs and city labs have gained much attention. They are aiming at extended networks of participatory elaborating innovative approaches by emphasizing co-creation and joint learning in a multi-actor approach. However, the implementation of such urban labs is confronted with various obstacles. For adequately addressing these complex challenges, it is necessary that cities learn from each other and exchange their experiences with establishing such new participatory platforms. Consequently, this paper deals with the question of how cities in cooperation with research institutions can establish and organize transnational partnerships, initiating mutual learning processes to investigate and implement living labs and city labs as new form of urban governance. The research is based on a multi-method approach under the framework of the JPI Urban Europe project URB@Exp. The international consortium consists of five cities, four universities and a foresight and design studio. The transdisciplinary action research approach is based on the concept of transitioning of experiments, focusing on multi-actor involvement, value-based reflexive learning, evaluation, and dissemination as well as the embedding of lessons learned into governance structures. To intensify the exchange of knowledge, experiences and innovative practices in urban governance, study visits, job shadowing and interactive workshops with involved stakeholders are taking place. The current research results indicate that the theoretical-conceptual approaches of urban labs are able to contribute to improved governance of urban complexity. But because of the variety of urban challenges, it is essential that lab practitioners and policy makers learn from experiences made in other cities in terms of structure, processes of co-creation and engaging of participants in urban labs. The competences of the consortium partners guarantee a comprehensive knowledge exchange that enhances the successful creation of diverse urban labs. Additionally, effective approaches for integrating these social innovations into formal local government structures are proposed.



## **ECONOMIC CRISIS AND CORPORATE INNOVATION IN SPAIN: FACTORS THAT MATTER**

**Adelheid Holl, SPAIN**

**Laura Cruz Castro, CSIC - Consejo Superior de Investigaciones Científicas, SPAIN**

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There is broad agreement among economists and policy makers that economic growth is nowadays largely driven by the capacity of firms to innovate. Most advanced countries have therefore developed public support programmes to promote innovation-related activities among firms. The financial and economic crisis that started in late 2007 has had a far reaching impact on countries around the world. Spain has been one of the countries worst affected. As a result of the economic crisis, the Spanish government has reduced heavily public funding in R&D.

Yet to date, we still know very little about the relationship between different government policies and firms' innovation behaviour in response to the economic crisis. More specifically, there is very little empirical research work on the distinctive effects of innovation policies in multilevel innovation systems on corporate R&D and innovation dynamics. Spain provides an interesting setting. Spain has a highly decentralized, quasi federal political structure with Spanish regions having very diverse economic structures and also different degrees of fiscal, political autonomy and R&D and innovation policy priority. Regions vary greatly in terms of their innovation performance as well as regarding their regional innovation and technology policies and their responses to the economic crisis. We use a detailed micro-data set for Spain that allows us to empirically investigate heterogeneity in how the crisis has affected firms' innovation processes and their resilience in terms of innovation taking into account the different regional response to the economic crisis. To account for the resilience of firm innovative activities, we take into account four different aspects: a) firm specific characteristics; b) relevance of the R&D, as part of the company core investments, and cooperation in innovation as strategic approach; c) the effects of location; and d) the role of public support in company performance.

Our preliminary results show that regions systemically more mature, with stronger shares of private firm sector expenditure, show higher firm R&D expenditure resilience. In addition, regional economic size, as an indicator of economic robustness, appears positively associated to the maintenance of R&D investment at the level of the firms. Our results also indicate that policy matters too. It is interesting to note that the share of the regional R&D budget over the total regional public budget, as a proxy of the political priority given to this policy area, reduces the probability that a firm abandons its innovation investment. Firms with European aid and aid from the regional and local government are significantly less likely to have stopped spending in innovation. However, a higher share of regional R&D funding as a proportion of total public funding shows the opposite effect; this might be indicating that strong dependence on regional sources might also hinder sustained firm R&D investment in times of crisis.

## **THE ROLE OF DATA NETWORK CONNECTIONS IN THE RELATIONAL CHANGE OF RURAL LOCATIONS**

**Tuomas Honkaniemi, University of Vaasa, FINLAND**

This ongoing research project at the University of Vaasa will explain rural locations' relational positions in the changing situation where data networks are established or improved by the local actors, such as optical fibre cooperatives. In Finland, wide rural areas create challenges in developing and maintaining infrastructure in general. There are different level of actors providing infrastructure and services, such as nationwide and regional telecommunication companies and local cooperatives. Optical fibre connections are useful especially for transportation logistics, education and social and healthcare services. The place-based development theory will be applied when investigating four different locations as case studies. The key idea is to illuminate how different levels of infrastructure interact with each other, while enabling local entrepreneurship, residency and second

home occupancy, and most importantly, how general accessibility of the rural areas is affected by new or improved data networks.

The qualitative method is used in this study. Data has been gathered by thematic interviews from the local actors, such as entrepreneurs, associations, farmers and second home occupants. The locations of the study are 1) municipality of Rääkkylä in North Karelia, 2) municipality of Parainen in Southwest Finland, 3) village of Itäkylä in Southern Ostrobothnia and 4) village of Valkjärvi in Uusimaa. Additionally, four interviews by telephone were also made to represent different kinds of cases among optical fibre cooperatives. These cases deal, for example, with cooperatives that have not yet been established or additionally have not succeeded to be established. Theoretical framework of the research is consisted of literature which discuss with social networks and social capital, information society, digitalization of services, concepts of place and space, and advancement of infrastructure in rural areas.

Optical fibre connections are important for people living in the rural areas, especially for entrepreneurs and farmers. Also some differences between different types of rural areas were identified. Peri urban areas tend to suffer for being located near bigger cities, especially when applying for support from the society. Due to the high-speed internet connections the relational change of rural locations is taking place. It makes living and working possible while allowing and creating new forms of lifestyles and entrepreneurship.

It can be said, that a fast internet connection provides new possibilities in rural areas. Entrepreneurs can offer immaterial and material products on internet and farmers are able to control production devices wirelessly via optical fibre. A reliable technology, easy accessibility and reasonably priced services attract new residents to the area. It also has effects to real estate prices. On the other hand, digitalization process and thereby optical fibre connections can cause inequality between places and people. Paradoxically, the ones who need it most can easily be left aside if they do not have enough skills and interest for adapting new technology.

#### *Leadership and Governance*

### **WHY DO SOME PLACES NOT BOUNCE BACK? A STUDY OF LOCAL LEADERSHIP AND GOVERNANCE**

**Charlotte Hoole, University of Sheffield, UNITED KINGDOM**

This research aims to explore the roles of local leadership and governance in shaping place outcomes. More specifically, the intention is to provide new insights for tackling the question ‘what makes effective place-based leaders?’ through an examination of what is meant by place-based leadership and how it is done well. Set within the context of a devolution agenda alongside the acute austerity measures being imposed on local places, the ability of cities, or more broadly city-regions, to show the right type of leadership is increasingly gaining credence. And whilst place leadership clearly does not operate without restriction given these circumstances, it is now well regarded as playing a fundamental role in unleashing the energy, innovation and engagement of the people and organisations that help shape the aspirations, activity and culture of a place. This research hopes to add to this debate by providing an evidence-based contribution for the interest of policy-makers, practitioners and researchers in the field.

In England, the current Conservative government is committed to a ‘small state’ agenda. Thus together with driving forward austerity and public sector cuts are sentiments around a ‘city revolution’, with grand ideas about establishing a Northern Powerhouse by forging devolution deals with a number of city-regions. Greater Manchester was the first region to reach a devolution deal with national government in early 2015, followed closely by Sheffield City Region. However, amidst a policy environment which still remains largely centralised and given the further deflation of the welfare state and fiscal budgets posing added restrictions, the authenticity of devolution is being questioned. With much speculation but very little confirmation over what this new and continually evolving environment means for local leadership, this research also begins to explore the desires, concerns and realities around devolution, combined authorities and city regions from a local leadership and governance perspective.

Centred mostly in Doncaster, but also utilising a broader Sheffield City Region perspective, a number of in-depth interviews were carried out with key stakeholders across the public, private, voluntary, community and faith

sectors. These conversations, in providing a voice to some of the people and organisations who help shape place-making, have allowed for an exploration of leading and governing a place amidst a complex, and to some degree, unknown policy context. Thus this study uncovers local knowledge for understanding the importance and perceived importance of place-based leadership in a time of austerity in local government, and rediscovers what sort of local leadership works best for local places and local people.

*Urban and Regional Theory, Methodology and Data*

## **SMALL TOWNS' DEVELOPMENTAL PATH IN EASTERN AND CENTRAL EUROPE**

**Reka Horeczki, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

Nowadays one of the most important topics of the EU regional policy is the development of the town and metropolitan region. All important socio-economic changes have impacted on every city as such changes may in fact begin in an emerging economy and are not necessarily limited to the most developed contexts. At the same time, small towns play a more important role than ever in local development. Most of the city researchers favour to analyzing big cities and agglomerations due to the accessibility and multitude of information. In correspondence with that, the studying of small towns can have a supplementary function among the other theories. The study aims to present the long-term developmental laws and characteristic features of small towns which entities strongly influence the economic, social and political life of Eastern and Central-Europe. The number of small towns in this area has permanently changed during the last centuries (market town development, urban laws of 1871 and 1886 had a decisive influence on this phenomenon), yet their portion increased mainly after the regime change in the early 1990s. My paper applies the methodology of comparison; it investigates primarily the development and opportunities of countries with a significant small town network disposing of similar assets and structures. It is obvious that there are several countries among the successor state of Austro-Hungarian Empire where the development of small towns was an important perspective from the aspect of societal, economic and political evolution (for example: see the birth of conservative values, small-town-mentality, local patriotism, and landlordism). The analyzed areas in my research are: South-Transdanubian region in Hungary, in Transylvania – the area between the border and the Királyhágó (Seklerland), in eastern Austria: Burgenland, Steiermark, Kärnten region, Upland („Felvidék”) in Slovakia, and Backa („Bácska”) in Serbia. All of these areas were border regions during the Monarchy and now they are still in this status, but, of course, under new state regimes. The investigation of the small towns of the area, and the drafting of their possible development path in harmony with the existing development plans may not only provide a positive vision of the future for the towns, but their wider environment (micro-region) as well. Regarding to the analyzed regions identical urban development paths are discernible. The factors which have relevant impacts on small town development potentials are: the geographic position, the historical development, and the emergence of civil society. Beside these aspects, local traditions, practices, special age-long agricultural activities, specialized knowledge or economic attitude (small firm production possibilities, special horticultural activities) are also relevant features.

*Spa Tourism/Music Tourism/Sports Tourism/Film Tourism*

## **HISTORY MARKETING: WHERE HISTORY AND CULTURAL HERITAGE FACE MARKET**

**Hans Hulling, SWEDEN**

Using history in effort of achieving individual, organizational or political goals is not at all a new phenomenon. On the contrary this is something that has in itself a long history. The increasing use of history in corporate marketing – History marketing, seems to offer great possibilities for corporations and regional economic development i.e. But, at the same time the niche, narrow or tendentious uses of history also pose problems. History marketing, a concept mostly connected with corporate advertising and PR, is used in a variety of contexts ranging from Steel industry to products such as cars, milk and ice cream. The use of specific history or cultural heritage differs depending on context. Civil society, communities and local and regional politics often use history, although perhaps with different motives and in different ways than those of corporations. On a national level a

Royal marriage and the Nobel Prize Award Ceremony are commonly known examples of how history is used to advertise Sweden abroad. This paper will discuss possibilities as well as problems with the use of History marketing, with departure in questions of what happens when a heterogenic, disperse history is used, in selected parts, to promote a specific product, service, place or cultural heritage site. How civil society, organizations and politics act or react in relation to corporate use of local history in History marketing will also be discussed. The intersection between on the one hand the different uses of history in different sectors of society and on the other hand the common society building and how these two areas interact are themes of major interest. To illustrate and problematize this intersection five important aspects, or perspectives, are used. These five aspects are History – the knowledge of the specific place i.e., its development over time, the heterogenic and disperse, History marketing – corporate use of History in advertising, Civil society and democracy – mostly nonprofit organizations and political mobilization/organization, Local to global (to local?) - globalization and glocalization, and Regional Society building – how the history and cultural heritage and the use of history interacts with Society building and vice versa.

*Special Session: Path Dependency and Regional Renewal*

### **GLOBAL INNOVATION NETWORKS; ANTECEDENTS OF PATH RENEWAL?**

**Katja Maria Hyde, International Research Institute of Stavanger (IRIS), NORWAY**  
**Heidi Wiig Aslesen, BI Norwegian Business School, NORWAY**  
**Kristin Wallevik, Agderforskning, NORWAY**

The industrial and institutional structure of a region forms the context of innovation dynamics and the potential for path development. Regions having specialized clustered activities and a high endowment of relevant knowledge generating and diffusing organizations (Organizationally thick and specialized regional innovation systems), are seen as 'core centers of continuity' (Isaksen and Trippel, 2014). The promotion of extra-regional knowledge networks has been suggested in order to induce changes beyond path extension and into path renewal. Extra-regional linkages can be of many types, this paper focuses on Global Innovation Networks understood here as intra-firm innovation activity in MNCs. Global Innovation Networks incorporate multiscale (firm, industries and territories) and focuses on innovation at the firm level and links Global Innovation Networks to national and regional innovation systems. The paper will combine literature on regional innovation systems, Global Innovation Networks and an institutional logics approach (Thornton and Ocasio 1999), to understand where logics and practices come from and how they are interrelated, focusing explicitly on how regional logic (represented by the subsidiary) and global logic (given by MNC) are interrelated in innovation activities, and if or how they can be a potential for renewal. Further, the paper will analyze how these intra-firm dynamics interact with the regional innovation system they are part of. The main research question is: Can Global Innovation Networks act as extra-regional sources for regional path renewal? And if yes – how? The empirical material in this paper is gathered through in-depth interviews with Norwegian subsidiaries of foreign owned engineering firms in the southwestern parts of Norway. The paper will use a multilayered approach to understand innovation dynamics - from interaction at the level of the firms, through the global innovation network they are part of (intra-firms) and further the region they are embedded in.

*Special Session: Path Dependency and Regional Renewal*

### **REGIONAL RENEWAL IN THE INNOVATION SYSTEM APPROACH**

**Arne Isaksen, University of Agder, NORWAY**  
**Stig-Erik Jakobsen, Bergen University College, NORWAY**

Industrial restructuring has been on the agenda for several years. It has become highly relevant in the Norwegian case due to the recent decrease in the oil price and the significant decline in the oil industry which brings forward the question of how Norwegian regions can become less dependent on the oil and gas sector through the renewal of existing industry and the development of new related industry paths.

This paper analyses possibilities and strategies for regional renewal from an innovation system perspective. This perspective explains the fact that Norway has grown wealthy as a result of abundant supply of natural resources, such as oil, fish, hydroelectric power, and forests, but, in particular, because the nation has developed innovation systems and supplier industries supporting resource extraction.

More generally, regional and national innovation systems strengthen the innovation capabilities and competitiveness of firms and industries, but exhibit also a potential drawback that becomes particularly observable when industry has to restructure quickly. The drawback includes the fact that much knowledge, resources, regulations and so on are geared to supporting existing, strong industries, which is especially evident in small countries and regions with limited human resources. Strong regional and national innovation systems thus first of all lead to path extension.

The paper thus focuses on possibilities and strategies for regional renewal when vital industries are embedded in strong national and/or regional innovation systems. Path renewal builds on existing, industrial knowledge, and renewal often occurs through the linking of different types of related industrial, and possibly also research based, knowledge.

This linking of existing knowledge finds in particular fertile ground in regions with a considerable and diversified industry and many forms of knowledge flow. Path renewal therefore should take place mostly in large cities and in other regions with a considerable industry, and it is also stimulated by the existence of R&D-organisations. Renewal is more difficult in peripheral regions with a scarce industry and in regions that are highly specialized in one industry and value chain. Renewal in such regions demands that complementary knowledge is obtained from outside.

The paper discusses from a theoretical point of view conditions for path renewal in different types of regions and the type of innovation policy most relevant for stimulating path renewal in different regions. The theoretical discussion is illustrated by empirical analyses of industrial restructuring and policy strategies for restructuring in Norwegian regions.

*Urban and Regional Sustainability*

## **DHAKA: A SOUTH ASIAN CITY AND ITS COLONIAL IDENTITIES**

**Tanzia Islam, Technical University of Berlin, GERMANY**

Bangladesh, India and Pakistan formerly known as Indian subcontinent presently belong to the most densely part of the world. A few top ranked mega cities are situated in this region. Dhaka, the capital of Bangladesh is a Mughal city of Bengal which has experienced colonialism and nationalism after Mughal period. During these time frames, the city has experienced different developments which also replicates in architectural examples. The rulers of this region have established Dhaka as their capitals many times throughout different eras. Thus the history and the heritage play an important as part of the city identity. Due to the city economic innovation, heritage has become a secondary point for interest. The city governance is also weak or at times ignorant regarding heritage protection related topics. The heritage buildings in Dhaka is currently either in ruined condition or without proper attention, and in extreme cases, buildings already have faced an ultimate demolition. The heritage management topic is rather ignored in events of the city development matters. This scenario is however common in mentioned above countries. The increasing need and challenges that South Asian megacities facing have brought heritage into a vulnerable position. The most affected part is the colonial heritage from the British era. In many countries, the colonial era is indicated as the “bad passive history” and often recommended to be abolished in order to erase the memories (Poria, 2001). However, the colonial buildings does not often get importance. In contrary to that, when colonialism has contributed to economy and cultural development, people are often interested to learn and preserve the colonial history even though the neighboring localities may have a dark history and experiences from the same era (Hyeon-Jeong, 2014). The colonial heritage is not an important part of the indian subcontinents identity, this idea is shared by many decision-makers from the region. Besides the attitudes towards heritage among politicians and citizens, many other dangers threaten its survival. The dense cities on the Indian subcontinent are facing many challenges with

accommodating the mass population. The history and heritage behind heritage can be good or ugly nevertheless is a part of the identity. Whether the public cares for it or not is the concern in case of densely populated cities like Dhaka.

The paper analyzes the present heritage management scenario with several case studies from Dhaka as an example for South Asian megacities to understand the connection between city development and deterioration of heritage from its modern context. Basis of a mixed methodological approach, the scholarship also brings the topic of public participation can put an impact in the area of heritage management and city development. The main focus of the paper lies on how the colonial heritage can be safeguarded in South Asian cities and can be an integrated part of the city development.

*Austerity (Risk and Resilience)*

## **THE ROLE OF HUMAN AND SOCIAL CAPITAL IN DIVERSIFICATION OF ACTIVITIES OF AGRICULTURAL HOLDINGS IN CZECHIA**

**Vit Jancak, Charles University in Prague, CZECH REPUBLIC**

**Veronika Eretová, Charles University in Prague, CZECH REPUBLIC**

**Pavel Chromy, Charles University in Prague, CZECH REPUBLIC**

The change of political system in Czechia at the beginning of the 1990s started a particular process that can be called an overall transformation of agriculture. The process of transition of the Czech agriculture is a part of structural changes of economy and society and, to some extent, a part of internationalizing and globalization tendencies taking place in Europe and in the world. The impacts of transition of the Czech economy and society were very important for the agricultural sector and for the process of space polarization (especially for peripheral areas), too. From the viewpoint of impacts of transformation on landscape and on intensity, ways and regional differentiation of landscape use, these are the key processes of present landscape changes. Since 1990, they were predominantly the change of the ownership of land and of means of production. The process of giving land back to its initial owners – the process of restitution – began. Only few “new” owners started to farm the returned land; during the preceding forty years the bond to land was severed and most farmers lacked experience and courage to start business in this branch where the rate of return on investment is very long. One of the important factors influencing the regional differentiation of these processes is the quality of human and social capital as a key component of local and regional development and economic and social “maturity” of rural areas in Czechia.

The changing character of the countryside, changes in agriculture, is explained as a postproductivist transition. One of the features of this is the transition from specialization to diversification of the agriculture. The purpose of diversification is to create and also keep new jobs in the rural areas, keep or even increase farm income and contribute to the recovery of the villages. It may lead to stabilization of the rural population, increase quality of their lives and the competitiveness of agricultural holdings.

The quality of human and social capital plays an important role in the decision whether realize the non-agricultural activities or not. The level of diversification of agriculture holdings depends on the persons of farmers (in the case of legal entities on the management) – on their education but not only in agriculture, but also in other disciplines important for the running a business, personal qualities and characteristics. The role plays also awareness of the persons, ability to seek and find information, openness to the new ideas, enthusiasm, communication skills and experiences. It is likely that persons already successful in agriculture will succeed in realization of diversification and vice versa those, who haven't succeeded in primary agricultural production, will failed in realization of non-agricultural activities.

**DEVELOPING METHODS TO MEASURE 'INSTITUTIONAL THICKNESS' FRAMEWORK IN THE CROSS-BORDER REGIONS**

**Nino Javakhishvili-Larsen, University of Southern Denmark, DENMARK**

The institutionalists' argument that institutions are just the formal organisations and norms, moved conceptually beyond and reached the consensus that there is more complex structure of formal and informal institutions and their interaction can become the supportive-net for the local/regional and even national economic success. There have been different interpretations how the institutional interactions provide the supportive-net to the local development goals (Philo and Parr, 2000; Amin and Thrift, 1995; Storper, 1995). Amin and Thrift (1995) elaborated the "institutional thickness" framework and attempted to explain the ways to measure it. Amin and Thrift (1995) argue that local institutional conditions are vital for the local firms to maintain success in the processes of globalisation and internalisation of economy (Amin and Thrift, 1995; MacLeod, 2001). The interest to study the institutional thickness in the regional and urban perspective grew even more during the processes of "new regionalism" and "hollowing-out" of nation state by decenationalisation and rescaling the governance (Jessop, 1994). Danson and Whittam (1999) argue that in EU regional governance and emphasised role of institutions to implement the local multi-level governance are essential in order to maintain the sustainable development in European regions (Marks et.al. 1996 p.346). Hence achieving the institutional thickness in the regions does not only promote the economic growth, but also social cohesion and regional equality across EU. Moreover, it becomes even more crucial in the globalisation processes, which stresses the argument that the institutional thickness supports national and global factors to interplay on the local scales (Pemberton, 2000). These arguments lead further to analyse 'institutional thickness' in the cross-border regional realm. 'Institutional thickness' means not only the number of institutions, but mainly how these institutions interact and cooperate towards common goals and strategies. 'Institutional thickness' is bounded on spatiality and geography and specifies the local conditions, while on the other hand, cross-border interactions might become embedded in national institutional links. Assumably, to facilitate any single cross-border institutional interaction the local institutions are required to become nested in the dense network of other national (and intraregional) institutions as well and to keep the cross-border interaction under required national rules and norms. This paper conceptualises the discussions and applies combined qualitative and quantitative methods (interviews, field-work, Interreg institutional cross-border cooperation dataset) to measure the cross-border 'institutional thickness' and study its role in the local development goals. The role of institutions has been debated back and forth within and across the disciplines of the social sciences for last couple of decades. However, most arguments remain at the conceptual and theoretical level and have not been incorporated into empirical studies. This paper contributes with empirical evidence and introduces the method techniques from social network analyses, specially developed to study cross-border institutional thickness.

**OPTIMAL TAXATION AND RELATIVE CONSUMPTION IN A SMALL OPEN ECONOMY**

**Olof Johansson-Stenman, Department of Economics, University of Gothenburg, SWEDEN**

This paper analyzes how international capital mobility – by placing a restraint on the use of capital income taxation – affects the optimal non-linear income tax policy in a small open economy when people care about relative consumption. In the case where the government can perfectly observe (and tax) returns on savings abroad, it is shown that previous tax policy rules derived for a closed economy largely carry over to the small open economy analyzed here. Yet, in the case where such returns cannot be observed, all tax policy rules will be dramatically different. In the latter case, also capital income taxes on domestic savings will be completely ineffective, since such taxes would induce the consumers to move their savings abroad. The labor income taxes must then indirectly also reflect the corrective purpose that the absent capital income taxation would have had.

**MODERN CLUSTERS, SMART SPECIALISATION, AND TRANSITION OF THE ECONOMY INTO CIRCULAR ECONOMY - CASE LAPLAND, FINLAND**

**Kristiina Jokelainen, Regional Council of Lapland, FINLAND**  
**Jukka Teräs, Nordregio, SWEDEN**

Clusters have become a popular concept all over the world in the last few decades. To implement the regional development into the practice, the clusters are seen as essential tools. EU cluster policy encourages the development of modern clusters approach resulting a large-scale impact and new industrial value chains. New modern clusters approaches strengthen and support the implementation of the industrial innovation policies and smart specialisation in the regional level.

The smart specialisation concept is rapidly diffusing across Europe, as an increasing number of regions adopt it and design strategies departing from their own preconditions. As a consequence, the knowledge base is still growing and there are several aspects that deserve a more in-depth study addressing different dimensions. The term circular economy refers to a production and consumption system that creates as little economic loss as possible, and where the majority of the products and the resources used in production processes can be reused or recycled. Industrial Symbiosis is one way to achieve green growth, and can be seen as part of a circular economy that focuses on keeping the added value in products for as long as possible and at the same time eliminating waste. The circular economy in the EU context is important not only to enhance the resource efficiency but is also seen as a stimulator for the new business and jobs.

Lapland is the northernmost region of Finland and EU with a total area of 100 369 km<sup>2</sup> and with 182 810 inhabitants. The smart specialisation strategy (S3) in Lapland was launched 2013. The sustainable refining of the natural resources and conditions forms the foundation of the strategy. Lapland was elected as Cluster Model Region by the DG Growth in 2014 to demonstrate "new or better ways of designing and implementing modern cluster policies". The proposal "Modern Cluster of Arctic industry – Sustainable utilisation of the arctic natural resources" was related to circular economy. The focus was on SMEs providing industrial services for utilization of side streams of steel, forest, energy, mining, vehicle and wood product industries.

To put the S3 into the practise, the Regional Council of Lapland carried out in 2015 a follow approach to implement regional cluster policy in practise. To continue five cross-sectorial clusters were identified to implement S3 in to practice: Arctic Industry, Arctic Rural Networks, Arctic Design, Arctic Security, and Arctic Development Infrastructures.

Our paper addresses issues related to a transition of the economy into circular economy through and by knowledge dynamics and regional development policy. The relationship between smart specialisation, modern clustering, and circular economy is of specific interest; how are these concepts related? What is really new in these concepts - or are we simply introducing new rhetoric? The empirical part of our paper follows an action research approach in which the authors participated in the planning and implementation of the Lapland S3 since the beginning until the present state. We describe how the circular economy was introduced and used as corner stone to develop the Lapland S3 process.



**CITY REGIONALISM AS GEOPOLITICAL PROCESS: RECONFIGURING THE SPACES OF THE NATIONAL STATE**

**Andy Jonas, University of Hull, UNITED KINGDOM**

**Sami Moisio, University of Helsinki, FINLAND**

Across urban and regional studies, attention is turning to the political construction of different forms of city regionalism in diverse national settings. In this paper, we consider four different ways in which city regionalism is taken up and articulated as a geopolitical project as follows: (1) a political strategy for addressing pressing national problems; (2) a discursive strategy underpinning the internationalisation of the state; (3) a technology of government which is deployed to manage spaces of competition and social investment in the state; and (4) an institutional space providing a bridge between local material interests and global financial and regulatory institutions. Our intention is to highlight the variety of ways in which city regionalism is moving to the foreground of efforts to reconfigure national state space.

**DEFYING THE MOBILITY POTENTIAL OF TWO CLOTHING MANUFACTURING SUBSIDIARIES: EVIDENCE FROM ALBANIA**

**Jolta Kacani, Polytechnic University Of Catalonia, SPAIN**

**L Van Wunnik, Polytechnic University of Catalonia, SPAIN**

This paper aims to determine the mobility potential of two clothing manufacturing subsidiaries in Albania, their host territory for the last twenty years. Clothing industry is regarded as one of the most geographically spread industries. The geographical dispersion has proved beneficial for newly developed and industrialized countries that have approached the clothing industry as the first step for their economic development. This industry is characterized by low barriers to entry in production which give to the clothing industry a transitory nature and turn it into a highly mobile industry. The mobility in the clothing industry is driven by labor costs that constrain clothing manufacturing enterprises to accommodate continuous fluctuations in production costs and commodity prices by surviving in an environment where speed is of utmost importance in bringing a product from the concept stage to stores as quickly as possible.

In order to "survive" in an ever changing environment, clothing manufacturing enterprises are looking for new territories offering the right combination of location advantages where can set up subsidiaries for production. Location advantages refer to opportunities available to subsidiaries in host territories that can strengthen their competitive advantage. The host territories most looked after are developing countries where the labor force is cheaper than in developed ones. Developing countries typically participate in the clothing industry through provision of services mostly on labor intensive processes (e.g. sewing) required in manufacturing of cloths. Participation in this industry is an important way for developing countries to: (i) attract foreign investment, (ii) increase technology transfer, (iii) build industrial capacity, (iv) foster economic growth and (v) generate employment. However, in order for host territories to maximize the benefits from the presence of subsidiaries representing international clothing manufacturing enterprises they need to have a low degree of mobility potential and strong linkages with the local economy. In this paper, we follow a case study methodology based on field work in two clothing manufacturing subsidiaries that are the two case studies of this research. The first case study is Naber Konfeksion sh.p.k a German subsidiary of Naber Moden and the second case is Industria Veshjeve sh.a a Greek subsidiary of Industria Ballkanike. In this paper we determine the mobility potential of two clothing manufacturing subsidiaries by looking into the three main factors: (i) location advantages of the host territory, (ii) sunk investments made in the host territory, and (iii) possession of alternative production plants in other territories, all of which directly affect the mobility potential of these subsidiaries.

**THE ROLE OF KNOWLEDGE EXPLOITATION AND KNOWLEDGE GENERATION SUBSYSTEMS OF REGIONAL INNOVATION SYSTEMS IN DEVELOPMENT OF REGIONS**

**Vojtěch Kadlec, Charles University in Prague, CZECH REPUBLIC**

In current world became the knowledge and capability to innovate one of the critical sources of competitive advantage of states and regions (Dunning 2000; Schwab, Sala-i-Martin 2013). For this reason is support of innovation process at regional and national level in the core of interest of researches (Autio 1998; Cooke 1997; Lundvall 1992; Tödtling a Trippel 2005; Asheim et al. 2005; Jensen et al. 2007; Malecki 2010; Grillitsch a Trippel 2014). In many papers (Autio, 1998; Cooke, 2002; Melkas, Harmaakorpi 2008; Tödtling, Trippel, 2005) are presented both basic subsystems of regional innovation system (RIS), (i.e. subsystem of knowledge creation and subsystem of knowledge exploitation) at least implicitly as being of similar size. However, it seems obvious that in many regions, especially in the less and more developed regions, the size of these two subsystems might vary profoundly. In particular, one can expect that the less developed regions would exhibit much weaker knowledge exploitation subsystem as the number of companies, which would be capable to introduce innovations at the market is likely to be limited and, therefore, these regions are likely to be dominated by the subsystem of knowledge generation. The contrary could be expected in case of most developed regions, as leading companies often nested in these regions are likely to be able to source and mobilize knowledge globally. If this is the case, than these findings could have important implications for design of industrial, innovation and R&D policies at regional, national and even at the EU level.

The size of both subsystems of RIS was measured by the data on R&D personnel in European NUTS 2 regions by sectors (for years 2005 and 2011 to capture recent evolutionary trends). Each sector was assigned to specific subsystem (namely, business sector was considered as a knowledge exploitation and governmental, higher educational a non-profit sector were considered as a knowledge generation subsystem). The dominance of specific subsystem was captured by location quotient, similar as Martin (2012). The relationship between the internal structure of RIS with economic development (GDP per capita) was calculated through contingency table. The analysis showed that in case of the most of the European NUTS 2 regions, these are strongly dominated by one of these subsystems. While in Central and Eastern Europe (CEE) and also in Southern Europe (SE) clearly dominates the subsystem of knowledge generation, in Western Europe (WE) prevails subsystem of knowledge exploitation or balanced mix of both subsystems. It is important to emphasize that the dominance of subsystem of knowledge generation in CEE and SE is not caused by high quality public research in these countries and regions, but rather by the fact, that the public research institution are the only institutions where can be realized significant R&D. Thus these findings endorse the relevance of categorizing the CEE and SE countries and regions as dependent market economies (Smith and Swain 2010). Even more importantly, the comparison of the years 2005 and 2011 showed that the unequal development of both subsystems of RIS has even strengthened during this time period calling for reconsidering existing innovation policies.

**TRANSNATIONAL COOPERATION, AN OPPORTUNITY FOR SOCIAL INNOVATION OF RURAL REGIONS**

**Stefan Kah, University of Strathclyde, UNITED KINGDOM**

**Thomas Dax, Federal Institute for Less-Favoured and Mountainous Areas, AUSTRIA**

Increasingly new concepts of rural development take account of significant changes in regional economies, social characteristics, well-being and opportunities and relationships with the rest of the world. OECD (2006) has referred to the changes in the respective policy context by calling for a “New Rural Paradigm” (NRP) and later asking for a “New Rural Policy” (OECD 2015). Such ideas were elaborated through similar conceptual considerations for smart rural areas referring to the Europe 2020 targets and suggestions for a “Rural Cohesion Policy” (Copus and de Lima 2014). All these approaches ask for more wide-ranging changes in the perspectives for rural regions, and apply particularly in the context of European rural regions. Within the European context, the application of the LEADER programme within the Rural Development Programmes can be perceived as the

main instrument for innovative action in rural regions, but shows very mixed implementation performance (Dax et al. 2013).

The LEADER instrument comprises a varied range of policy tools. These include support measures to enhance capacity building for local actors, specific actions following regional Local Development Strategies and trans-regional cooperation activities that aim at learning processes. In particular, these trans-national activities are challenging for many groups and only a small share of the activities and budget can be used for that purpose. Nevertheless, the experiences of such activities are particularly interesting and relevant for the new conceptualization of rural regions. In our paper we will present findings from the analysis of several trans-national projects carried out by the Local Action Group "Oststeirisches Kernland" within the last programme period 2007-2013 (Kah 2015). The projects CULTLANDS (development of European cultural landscapes through production and marketing of healthy and environmentally-friendly products), CULTTRIPS (creative tourism within a trans-national learning process) and the project „Slow Travel “ confirm the potential of European cooperation and learning lessons for local actors.

The assessment of these activities underpin the relevance of trans-national interaction and reveal the impact on reflexivity, regional perspectives and scope of action proposed for future local development strategies. This result directly refers to concepts of inter-regional relations and its usefulness for innovative adaptation in regional action. Findings suggest that cooperation activities do not have to be restricted to economic interest, but should extend deliberately to social aspects, cultural learning and procedural knowledge because learning effects, and European benefit, might be greatest for those dimensions. The presentation will also address relevant recommendations for the implementation of local development programmes in the current period (LEADER and CLLD-initiatives) that would aim to support strategies towards smart rural development.

*Local and Regional Economic Development and Planning*

## **EFFECTS OF EU-FUNDS ON TERRITORIAL COHESION - PUBLIC AND PRIVATE RESOURCES FOR REGIONAL DEVELOPMENT IN THE LEAST-DEVELOPED, MOST DEPRIVED MICRO-REGIONS OF HUNGARY**

**Judit Kalman, Institute Of Economics, Hungarian Academy Of Sciences, HUNGARY**

The trade-off, limits and problems of double-orientation of development policy today - i.e. the goal of regional convergence and the growth and effectiveness-oriented economic development policy – are challenging throughout the world. Results of New Economic Geography (Krugman 1991, Fujita et al 2001, Puga 2002) underline such trade-off, but even within the EU and in different policy areas there are mixed goals: e.g. the changing Cohesion Policy versus EU2020 and Lisbon goals of competitiveness and employment.

As for Hungary, an external convergence – internal divergence (increasing territorial inequalities) process is happening since the EU accession of the country – that lead Hungarian development policy consider dinamization of least developed areas also an important goal. However, due to the above mentioned duality of development policy and the structural problems caused by the economic and financial crisis at present regional development policy in Hungary is secondary to other economic policy goals, national budgetary resources have shrunk or completely disappeared. Regional development or territorial cohesion is entirely financed from EU resources in Hungary today. It is acknowledged that these micro-regions are characterized by not only low economic performance, lack of employment opportunities, social problems (low standards of living, outmigration of educated population) but also with weak absorption capacities for development funds. Recognizing these problems from 2009-10 there was a special program within EU funded development policy targeting the 33 least developed micro-regions. The primary tools of territorial focusing were eligibility criteria and criteria for extra points, in addition to facilitating projects (e.g. increasing funding intensity, expense eligibility criteria) in some regions. This paper is assessing the success of allocating extra-resources to these micro-regions and compares EU funding with national resources for investment as well as private investments.

Research question(s) : what private/public (natl. and EU) regional development resources least developed (depressed) micro-regions (NUTS3) have access to in Hungary? What is the spatial pattern of these three

different resources (private/natl./EU) ? Have the least developed MRs managed to absorb more EU funds due to the special program within Hungarian Cohesion policy interventions? Does this mean more development for them – or what drives development in these areas?

In assessing the role of development policy in regional development our initial hypothesis is that available development policy funds are minor compared to private (business) investments or state budgetary resources, hence only additional role can be expected of them. Yet, in least developed, economically depressed and poor areas the private sector is very weak, barely any investments happen, thus here we can expect development policy to have a more major role in the change of development statistics as well as in the operation and transformation of their social and economic structures.

For the purposes of our analysis we build a micro-region and settlement based database of funds, which definitely represents a major new element in the literature and the policy-profession. (So far only county-wise sub-national investment data have been published by the National Statistical Office – thus earlier studies relied only on those.) We connect local municipality-wise demographic, infrastructure, economic, financial, business accounts and grants data originating from different sources: National Development Agency EMIR database on EU funds allocation, National Statistical Office T-Star data, Hungarian State Treasury's Kincinfo on government finances, Bureau van Dijk's Amadeus database for business financial data). After tedious cleansing data is aggregated based on the 174 micro-regions structure used in Hungary since 2008, for easier comparability all financial data is deflated at end of term 2011 prices, and micro-regions ranked and classified based on the complex micro-regional development statistic created by the National Statistical Office of Hungary. The empirical analysis focuses on the 2007-2011 period, but also compares results of the 2004-2006 period (former EU budget cycle) with respect to the 33 ( 47 ) least developed micro-regions targeted by the special program and/or the 94 less-developed focused on by the national policy.

*Special Session: Path Dependency and Regional Renewal*

## **MISSION IMPOSSIBLE? PATH RENEWAL SEEN FROM THE APPROACH OF A NATURAL RESOURCE INTENSIVE FIRM**

**James Karlsen, University of Agder, NORWAY**

The article departs from empirical study of an old natural resource intensive firm in the periphery of Norway. The case is about a smelter of manganese. The firm is owned by a multinational company that has natural resource intensive firms located all over the world, but it is only the firms located in Norway that the last years have generated a surplus. Why is this firm, which was originally established on access to cheap hydroelectric power, today competitive?

Studying the development of such a firm can give theoretical knowledge about learning and innovation in natural resource intensive firms. And this knowledge can also be of interest for policy makers working with policy for path renewal.

A key challenge for regional studies is understanding the micro-dynamics of large-scale regional path development. The success of natural resource intensive firms is from a national or sectoral innovation system approach explained as good interaction between industry and enabling organizations, such as in Norway (Ville & Wicken, 2012, p. 1365). Without in-depth studies of concrete firms this can easily lead to overly simplistic "happy family stories", claiming that interaction between firms and is the answer to renewal of natural resource intensive firms. This simplification reduce development of successful firms to narratives where heroic leaders in firms and elite coalitions in university "dynamize" and manage learning and innovations processes.

In this article, the highlight is on individuals outside the managerial elite. The highlight is on the interaction and collaboration between engineers and operators in learning how to control and manage a complex production process and at the same time develop tailor made products necessary for path renewal.

**Ilya Kashnitsky, University of Groningen, THE NETHERLANDS**

**Leo van Wissen, University of Groningen, THE NETHERLANDS**

**Nicole van der Gaag, University of Groningen, THE NETHERLANDS**

The Cohesion Policy of European Union is reported to be successful, especially when the disparities in economic output between East-European regions and the regions of older EU states are considered. Even though economic convergence took place, the role of Cohesion Policy may be overestimated. The effect attributed to the Cohesion Policy may have been explained to some extent by differences in population aging that studies on economic cohesion tend to overlook.

Ageing is one of the main determinants of long-term economic prospects, that can influence economic convergence. In a simple model, economic output per capita depends on labor productivity, labor force participation and the share of the working-age population. Population aging - i.e. the change in population structure resulting in a shrinking relative size of the working-age population – has a negative effect on economic growth. A decline in the size of the working-age population has a downward effect on GDP per capita, whereas an increase in the number of elderly citizens has an upward effect on costs of pensions and care. Thus, other things equal, a decrease in the ratio of the working to non-working-age population slows down the economic growth of a region.

The paper first investigates whether differences in population aging across European NUTS-2 regions became smaller or larger during the last decade, i.e. if there was convergence or divergence in aging. Second, the observed patterns are projected for the coming decades. Finally, based on the observed and projected patterns of regional convergence in aging, the effect of convergence in aging on economic cohesion is estimated.

Ageing is operationalized as the ratio of working to non-working-age population (working ratio, WR). We use both sigma- and beta-convergence to uncover regularities in regional aging dynamics. Sigma-convergence, like all other measures of inequality, shows if the overall dispersion decreases; beta-convergence identifies whether regions, on average, move towards the mean value, i.e. whether regions with a high WR tend to lose their advantage. Combining both approaches helps to achieve deeper understanding of the development of the whole distribution. Conditional modeling is used to test if groups of regions converge to different levels, i.e. if there is club convergence. For club convergence analysis the models are conditioned on macro-regions of Europe: Northern, Western, Southern and Eastern.

Even though regions of Europe saw an increase in aging disparities, e.g. no sigma-convergence, beta-convergence analysis indicates that convergence in aging took place only in recent years; the prior lack of convergence is mainly explained by the demographic development of East-European regions. Conditional modeling confirmed the existence of club convergence.

Divergent development of aging in East-European regions contributed to faster economic convergence in the enlarged European Union. Yet, since regional economic cohesion was not reached during the time of favorable population dynamics, it would be even harder to reach in the coming decades of accelerating ageing.

**Siru Kilpilampi, FINLAND**

This paper describes the first experiences from OSSI – Skills up -project (2015 – 2018) funded by European Social Fund. The project aims to promote employment and workplace skills development of young people with an immigrant background in the Lahti Region, Finland.

In Lahti Region organizers of education are reaching out to each other in order to promote employment and workplace skills development of young people with an immigrant background. There are many actors offering counseling and training services for the target group in the area, but unfortunately the number of unemployed immigrants indicates, that we need to launch new initiatives to address the problem.

A group of local organizers of education have committed to create a new guidance and training model. By utilizing the strengths of a local network, the actors will support each other when expanding their operations, expertise and competence levels. The network of the actors from multiple education levels can be used to boost counseling, training, marketing and dissemination of general and appropriate information. The active dialogue within the network actors enables them to recognize the best practices that are valuable for all parties involved and also to find the weaknesses in the process.

Young people with an immigrant background need training that progresses fast and enables individual paths. The group in need of upper skill levels training in the Finnish language is heterogeneous, and Lahti Region is missing entirely training in the highest skill levels in Finnish (greater than B1, European Framework of Reference). None of the active organizers of education in the region does not see it possible to organize single-handed the training, guidance and employment support services needed by the target group within the existing financial systems framework. Together the actors plan an intensive guidance and learning path, which escorts the student from basic skills to advanced level of competence. The network creates a portal, a database with topical issues and eLearning-materials for deepening the multicultural competencies of target group but also the training and counseling personnel. Together the network actors are in constant interaction with the immigrant services offered by City of Lahti as well as the public employment and business services. All these actions will lead to better quality in services established for supporting young unemployed immigrants.

The network produces a functional guidance and training model, taking advantage of each actor's own funding opportunities for the common good. This will create a new financing model for counseling and training needs. And most importantly, the new operating model will provide a permanent solution for the immigrants' guidance and training needs.

We need to assure, that in our area young unemployed immigrants are offered training and skillsets that enables them to be employed. To be able to do so, the organizers of education need to build bridges from one level to another so that the applicant/student will not be dropped outside the educational network or opportunities to be employed. The model building process as well as the final structure of the model will be documented carefully so that it will be applicable also for areas outside the Lahti Region.

*Urban and Regional Sustainability*

## **THE ECONOMIC CRISIS' IMPACT ON UK LOCAL AUTHORITY DISTRICTS AND ITS FACTORS**

**Anastasios Kitsos, Plymouth University, UNITED KINGDOM**

**Paul Bishop, Plymouth University, UNITED KINGDOM**

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

The current research on economic resilience is still unclear on whether the concept should be viewed as a return to a previous equilibrium point, a movement to a new equilibrium point or as a continuous process of adaptation and improvement. The different approaches signal different methodologies and methods in gauging the resilience of a place. Equilibrium approaches focus more in quantitative treatments while adaptation views use more qualitative or mixed methods. However, it is argued that resilience is such a concept that, irrespective of its conceptualisation, its effects should be evident on growth or social development variables.

The limited quantitative empirical studies on resilience look into the topic by measuring the effects of economic pressures on local labour markets or income. Employment and/or income data are used and manipulated in different ways in order to reveal the impact of economic pressures in different localities. Most of these studies focus on the country or regional level and tend to focus on identifying different patterns of resilience whilst the study of the factors behind it is lagging in empirical output.

This study focuses on a smaller scale of the UK geography such as the local authority districts. It breaks down resilience into two bodies; namely the crisis impact and the rebound stage and focuses on the former in order to explore its determining factors. First and foremost, an appropriate measure is chosen and then tested on a range of variables related to human capital, sector specialisation, demographics etc. The results reveal a number of relationships between the independent and the dependent variables and shed light into the discussion on what factors come into play when a place is faced with an economic downturn such as the one started in 2008-2009.

The outcome of this study is expected to assist progress on the issues of measurement, operationalization and the factors behind regional resilience. In addition, it will serve as the basis for the further exploration of the concept of resilience which is the main reason for research on the field. In this way, the discussion can then progress on the resilience enhancing agenda.

*Federalism, Subsidiary and the Allocation of Competences*

## **SPATIAL DISTRIBUTION OF PUBLIC FINANCE IN THE RUSSIAN FEDERATION**

**Vladimir Klimanov, Institute for Public Finance Reform, RUSSIA**

**Anna Mikhaylova, Institute for Public Finance Reform, RUSSIA**

Russia has a very specific system of public finance distribution as between tiers of government as across Russian regions. The paper is devoted to general tendencies and features of such distribution and is based on statistical analyses of financial accounting of the federal and consolidated sub-national (regional) budgets since the middle of 2000s.

There were two main processes in that question. The first one was a continuous fiscal centralization related to the specific structure of revenues and to the policy of the federal government. Nowadays, about a half of revenues of the federal budget in Russia comes from the taxes and levies on oil and natural gas. Besides, fiscal autonomy of Russian regions has decreased last years. As a result, more than seventy percent of total revenues go to the federal level, and only one third goes to regional and local budgets. In fact, centralization of public finance increases the expenditure on national defense, security, police, and on pensions rapidly.

The very large regional and municipal differentiation in per capita revenues and in other figures, which are, characterized the public finance. There are 85 regions (the subjects of the Russian Federation) and about 23,000 municipalities in Russia now. The scale of that differentiation is accounted by dozens even for regions and hundreds for municipalities. It involves very complicated system of intergovernmental fiscal transfers in Russia as between federal budget and regions, as between regions and municipalities. Less than 15 regions have not received unmatched federal transfers for their budgets during last ten years.

Past two decades, the Russian Federation was carried out large redistribution of powers between levels of government. Main federal laws on regional and municipal responsibilities were adopted and all sub-federal liabilities were mentioned in the legislation and new forms of intergovernmental fiscal transfers were set even in the middle of 2000s. Later, there were introduced more than 100 amendments in the list of regional and municipal responsibilities. However, most of regions have very weak own tax base. Therefore, they do not have enough revenues for cover them.

Federal government uses more than 100 types of target subsidies to regions to co-finance those responsibilities. There will be many new tasks for regions, e.g. in increasing state employees' salaries, in future.

The situation varies from region to region. Under our analysis, we looked at all types of transfers from the federal budget and at some pilot rich and poor regions.

*Special Session: Entrepreneurial Cities and Regions for Climate Policy and Governance?*

## **THE ROLE OF PUBLIC AUTHORITIES IN AUSTRIA'S NATIONAL ADAPTATION STRATEGY**

**Nina Knittel, University of Graz, AUSTRIA**

**Birgit Bednar-Friedl, University of Graz, AUSTRIA**

The rise in carbon emissions has triggered manmade climate change and past and current emissions already strongly determine changes in temperature and precipitation up to 2050. To reduce climate change damages, adaptation to climate change at the regional to local level is thus a crucial policy area. Many countries around the world have therefore started to develop national adaptation strategies and plans. For instance, the Austrian Adaptation Strategy contains 132 measures in 14 different areas, such as protection from natural hazard, health, agriculture or tourism.

In this paper, we investigate the role of public authorities in providing adaptation measures by developing a categorization method to distinguish between public and private measures. In particular, we distinguish four steps representing the sequence cascade of adaptation decision-making and implementation, and differentiate them with respect to governance levels and private actors. The separation into the four steps is based on the function that is performed by the actor: (1) the initiator of a measure is the one that imposes the measure legally or through incentives, (2) the financier is the person or institution that provides the financial means for the realization, (3) the implementer actually realizes the measure and (4) the beneficiary benefits from an implemented measure.

We find that, in contrast to the common understanding that a lot of adaptation is private, adaptation measures in Austria strongly rely on public action. Considering initiation, public actors are required to start the sequence cascade for 95% of all measures. In financing, public authorities are required to provide financial means for 96% of measures (42% of measures are financed by public and private actors jointly). Similarly, public actors are involved in the implementation step of almost all measures (95%), in 46% as single implementer. The beneficiaries are predominantly public, which means that most of the measures create public goods.

We further conclude that the weight of public actors decreases with advancing the sequence cascade. While initiation is primarily a task for public authorities, financing and even more implementation also require private actors to contribute. It follows that good collaboration between public and private actors will be needed especially in the implementation step.

Regarding the different areas, we find significant responsibility of public authorities in the financing of measures in public infrastructure fields like energy, water, transport as well as health, spatial planning, construction and housing, cities and urban green, ecosystems and biodiversity, protection from natural hazards and disaster risk management. However, there is one area that is clearly private in the financing step: business/industry. Both the public and the private sector are required to contribute in agriculture, forestry and tourism.

When it comes to implementing a measure, private companies and households become more relevant. Activity fields like water, energy, protection from natural hazards, health, ecosystems and biodiversity, spatial planning and cities and urban green are still considered primarily public, while agriculture, forestry, tourism, construction and housing, disaster risk management, transport and business/industry lie in the intersection of public and private adaptation.



**VICARIOUS HABITATION - REINTERPRETING THE ROLE OF PERIPHERAL LIVING IN THE NORDIC CONTEXT**

**Jon Knudsen, University of Agder, NORWAY**

Modernity brings about changes to society. One of these is structural change in settlement patterns. The processes of urbanization and centralization has meant that a substantial part of an earlier more scattered population now is concentrated in urban areas and their related commuter catchment areas. The number of people living in remote and marginal places is thus dwindling.

The political and popular attention paid to the periphery has however not undergone the same decline as the phenomenon of peripheral living itself. In national and local self-presentations as well as in coining political programs, the periphery is as present, or even more present, than before. Related to this apparent paradox we find a discourse where remote regions and places constitute an important symbolic factor in national imageries. Towards the end of the 20th century the Nordic countries thus in various fashions experienced a renewed interest in and need for developing rural and/or periphery-oriented policies to cope with its sparsely settled regions and communities.

This paper focuses on how to interpret this persistent attention to the periphery, and it does so by paying specific attention to the way the maintenance of the periphery is made not only legitimate but even desirable on a national scale. To come to terms with understanding the proportional over-attention paid to the geographical periphery in the contemporary Nordic context, in light of its lack of demographic importance, I suggest introducing the concept of vicariousness. Originally coined by the sociologist Grace Davie, the concept relates to the observation that a social phenomenon and its related institutions continue to be understood as important despite their seeming marginalization, the main thesis being that in an ever more institutionally differentiated society, the few increasingly perform duties and (re)produce symbolic values on behalf of the many.

There is a growing awareness these days that regional policy schemes in their broadest sense cannot be duly understood only by looking at their socio-technical grip on the problems they are set to meet, they must also be analyzed as part and parcel of a wider societal context where their legitimacy as meaningful tools for maintaining the complex regional heritage of a society is equally important. Hence peripheral living is increasingly seen as a representative function performed by a shrinking minority to cater for such national needs.

**METROPOLITAN KNOWLEDGE SPACES – TECHNOLOGY EVOLUTION IN THE CANADIAN URBAN SYSTEM**

**Dieter Kogler, University College Dublin, IRELAND**

The objectives of the present study are to map the North American (U.S. & Canada) knowledge space, and to examine the evolution of that space over the time period 1975 to 2005, followed by an investigation into the character of knowledge cores within Canadian cities. The knowledge space is based on the proximity of technology classes, utilizing measures derived from co-classification information contained in patent documents (Kogler et al., 2013).

Attention has been directed at aggregate measures of knowledge production in regional and national contexts, but little consideration has been given to the properties of knowledge produced in specific places. How does the nature of produced knowledge vary over space, and what conditions the scope of technologies generated in different locations? The general consensus is that technological change is guided by past activities (path-dependency), local capabilities (place-characteristics), and influenced by the embeddedness in regional, national and international networks.

Taking all these factors into consideration, the aim of the investigation is to understand spatial patterns of specialization, as well as the variations in technology trajectories amongst Canadian cities over the past 3 decades.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

#### **LESSONS FROM SYNERGIES OF COHESION POLICY IN A HUNGARIAN LAGGED MICROREGION**

**Attila Korompai, Corvinus University of Budapest, HUNGARY**

Encs microregion is one of the most lagged microregions in Hungary. The paper analyses the local synergies of the Hungarian regional policy in this microregion from the aspect of the European cohesion policy. The key research questions are that the objectives of the European cohesion policy how appear in a national regional policy (in this case in the Hungarian regional policy), and how they are perceived in a lagged peripheral area leading to different activities, and the interaction of these activities (intended or not, consciously or not) what kind of synergies generate for or against attaining the objectives of cohesion policies at various levels. The processes are considered as much as possible since 1993 for an appropriate perspective of the evaluation, while the research concentrates on the impact of projects accepted in the previous programming period (2007-2013). It is clear that the information on long-term impact of interventions is still hidden.

The initial situation of the area is characterised by high level of unemployment, low qualification of labour, significant infrastructural deficiencies, and low level of available income (it includes the village with the lowest income level in Hungary). The main actors of development are the local governments. The entrepreneurial structure is quite heterogeneous considering either its sectoral or its business conditions.

As the realisation of programmes is based on applications to various support frames the analysis concentrates on supported projects. The sectoral and territorial distribution and coincidence of projects is evaluated in the mirror of their potential multiplicative impact, and the changes of income and employment level. Settlement clusters of income development paths are identified, and compared to the types and concentration of financed projects.

The impact assessment is influenced by the special consequences of the period coming from the global economic crisis during the investigated period. This special circumstance made possible to make conclusions on the economic sensibility of the microregion, and to show that the decreasing differences presented as result of the cohesion policy in the period are based on the greater sensibility and decreasing level of the more developed areas instead of growth of the less developed ones.

A further important lesson of the research is that though there are common components of the regional policy and cohesion policy, they are not the same policies. Mismatching them and/or disregarding or decreasing the importance either one will result minimum in a decreasing efficiency and losses.

*Special Session: Urban Tourism Development*

#### **URBAN EVENTS IN A POST-DISASTER CONTEXT. LOOKING FOR TEMPORARY PRACTISES, NETWORKS AND SPACES IN L'AQUILA, ITALY**

**Georgios Koukoufikis, Gran Sasso Science Institute, ITALY**

**Cecilia Pasquinelli, Gran Sasso Science Institute, ITALY**

**David Gogishvili, Gran Sasso Science Institute, ITALY**

Urban events have been analysed from a range of perspectives including direct economic impacts of a spending opportunity for tourists, visitors and residents; their motivations and satisfaction deriving from a cognitive, affective and aesthetic experience; city branding and image building, the animation of the city; social cohesion and, in contrast, exclusive effects for parts of local population. "Eventification" labels a critical agenda that

stresses festivals and events becoming prominent economic and urban development strategy in Western metropolises. However, less attention has been drawn to the role of events in non-metropolitan areas, where cumulative benefits of smaller events have been often overlooked by local planners and policy-makers. These events usually have a 'civic-led' governance structure, may have social and cultural effects and might improve local economies, by catalysing community activities, encouraging cooperation and developing local skills in management, leadership and organization.

The city of L'Aquila, a small city in Southern Italy, represents a case for analysis of specific interest as it is currently in the recovery process from an earthquake that struck the city in April 2009. In recent years, the historic centre of L'Aquila, which still remains largely uninhabited, has demonstrated an increase in number, magnitude and diversity of urban events. These events, as a result of social interactions, temporarily revitalise public spaces and activate or generate networking schemes among various organizers, while producing temporary economic benefits. In our research we attempt to understand how and to what extent these events contribute to producing an 'urban legacy' and long-term effects in the post-earthquake city of L'Aquila. Is the city a simple stage for events of ephemeral importance? Or, instead, do the events become part of a strategy pursuing the city's economic development and its social re-construction? In this research particular attention is drawn to the role of projects, practices, networks and the set of relationships between the various actors that might trigger medium/long term socio-economic effects through the organisation of the events. To address the research aim, a literature review on urban events was carried out, linking to the literature on post-disaster contexts, and desk research for mapping and categorizing the events that took place in the city centre between 2013 and 2015 was developed. Then, five major events in 2015 were selected to be developed as case studies.

*Local and Regional Economic Development and Planning*

## **REGIONAL EXAMINATION OF BUSINESS (AND FINANCIAL) SECTOR IN CENTRAL AND EASTERN EUROPE**

**Sandor Zsolt Kovacs, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

For the last 100 years, there has been a substantial shift from the primary and secondary sectors to the tertiary sector in developed Western European countries. In the Central and Eastern Europe, the tertiarisation delayed, because the transition processes from planned to market economy occurred only in the 1990's. From this time the national economies have become fully open, so significant foreign investment flowed into these countries, which transformed the sectoral structure of these economies. During the socialist/communist system of CEECs, the states didn't pay much attention to the development of business services, in line with the ideological perception of that time that services were not vital to growth and development, while industry ranked top in all policy decisions. The economic transition brought dramatic changes in all relevant indicators. If you look at the sectoral GDP, GVA or employment data, we can see that the business service sector became the most important part of the economies at the national and regional level too. So, this paper examines these processes with time series and other data in the first part.

The second part of this study focuses on financial service sector. The political and economic transition resulted many changes in the financial sector. These states have become market economies and the modern economies required a new structure of financial and banking systems, so the following trends observed in these years: (1) initiation of the two-tier banking system, separated the functions of central bank and commercial bank (e.g. the central banks became the bank of banks); (2) elimination of sectoral and operational restrictions; (3) enable of private bank's foundation; (4) enable of operation of foreign-owned and joint-owned banks; (5) liberalisation of bank foundation; (6) establish of the supervisory agencies. These were the common fundament of the evolution of the CEE countries' financial systems and created a "crossroads" from where many directions were possible. Concerning the territorial dimension, it can be declared that similarly to the public administration and governance structure of a specific country, the structure of the banking network may also be either centralised or decentralised, and generally the two systems resemble each other in this respect. The other question is the central-periphery differences or accessibility (financial exclusion) of the banking networks. So, my aim is the presentation of the regional structures of the financial services and their role in the regional development in the focus area.

## **OUTLINE OF THE SPORT MEGA EVENTS MECHANISM**

**Marek Kozak, Centre for European Regional and Local Studies (EUROREG), University of Warsaw, POLAND**

Mega events play increasingly important role in expectations of many people and life of cities. Big cities have most of the typical tourism infrastructure needed to organize the mega-event (hotels, communication and transportation, partly sport infrastructure, shops, financial institutions etc). What is more, big cities – like the govt - have a large budgets at disposal. And their applications for mega events is mostly supported by central government. Recently there have been changes registered on both sides: logo owner and logo receiver. Most important is the high increase of the media (incl. fees for advertisement), from USD 1,2 mio of in Rome Olympic games in 1960 to USD 2,6 billion in London (in 2012). On top of that, a secret non-public agreements with the government on - among others – tax exempt during the event and balance of potential benefits (promised by logo owner) plus required government duties relating to the organization and covering the preparation costs involved. Main change on the social side is often more critical approach to mega-events.

The aim of the paper is description of the mega-event mechanism, the motives of logo owner (boards of FIFA, UEFA or Intl Olympic Cttee) and of the public administration plus other stakeholders and the influence on development. Logo owner using high quality marketing strategy promises a lot of benefits as a result of the mega event, while the govt decides in exchange to provide tangible resources (infrastructure of all sorts, security and safety, information, transportation, high quality hotels and gastronomy etc). In short it may be said that there are at least four wide fields of alleged benefits: economic (increase of sales during and after the event), social (mobilization and integration), promotional and local development (urban regeneration around the sport infrastructures; stadiums etc). Main thesis is that increase of the cost of media coverage which includes advertisement led to increase of financial expectations of private international organization. The second hypothesis is that benefits of mega events do not meet the costs, and that time span between signing contract and the event (6-7 years) is long enough to make it safe for politicians. Additionally, neither short term benefits nor long term ones cannot be separated from general development paradigm and trends. The text ends with an outline of the mechanism.

## **CULTURAL SPACES: AGGLOMERATION OF BOHEMIANS ACROSS DIFFERENT SPATIAL SCALES IN SLOVENIA**

**Jani Kozina, ZRC SAZU, SLOVENIA**

**David Bole, Research Centre of the Slovenian Academy of Sciences and Arts, SLOVENIA**

Places of artistic production and consumption exist in a great variety of spatial forms and have received significant attention in recent decades, as many cities and towns turned to the arts as a substitute for the declining industrial base. A number of studies examined the agglomeration perspectives of the cultural and creative sector, but they rarely addressed it across different spatial scales. The objective of this chapter was to empirically investigate agglomerations of 'bohemians', who represent a more 'artistic' and smaller sub-sector of the larger 'creative class', closely related to the concept of 'creative industries', across regional, local, and neighbourhood scales in the state context of Slovenia (regional and local scale) and the city context of its capital, Ljubljana (within city districts and local communities). Our results showed that despite the strong concentration patterns of bohemians, there has been a slight tendency in the last decade for them to disperse across all the spatial scales. The representation on higher geographical scales provides a more transparent image with smoothed local variations that can be roughly explained by the general socio-economic characteristics, whereas the lower scales can unveil far more complex previously invisible cultural spaces and their (de)concentration

tendencies, explained by specific and path-dependent development. We discussed the need to apply the multi-scalar approach as a tool of the multilevel-governance system in addressing the challenges related to the 'rise' of a new cultural landscape.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **SMART SPECIALIZATION IN LESS-FAVoured REGIONS: CONCEPTUAL CONSIDERATIONS AND EMPIRICAL APPLICATIONS**

**Iryna Kristensen, Nordregio (Nordic Centre for Spatial development), AUSTRIA**

**Jukka Teräs, Nordregio (Nordic Centre for Spatial Development), SWEDEN**

**Alexandre Dubois, Swedish University of Agricultural Sciences, SWEDEN**

The emergence of place-based development in the European policymaking debates has impelled a consideration of alternatives to prevailing regional innovation strategies. The new paradigm for regional innovation policy builds on the Quadruple Helix cooperation for effective operation of regional capabilities, competences, competitive advantages and potential for excellence on a global perspective. Smart specialization approach is particularly relevant within the context of areas with geographic specificity where growth is challenged by specific territorial conditions that induce some locational disadvantages e.g. high transport and transaction costs and the absence of agglomerative economies, viewed from classic economic development theory and policy. The starting point of this paper is to address certain conceptual ambiguities of smart specialization strategy (S<sup>3</sup>) in a regional policy context. S<sup>3</sup> is a strategic approach to economic development through targeted support to research and innovation (R&I). The goal of this concept is to focus limited financial and human resources on certain domains in order to develop distinctive and original areas of specialisation. This approach has slowly begun to gain ground in regional realms. It can be explained by first, that the concept of S<sup>3</sup> has transcended the borders of research and innovation policy and crossed into regional policy. This demonstrates a shift from a linear to a systematic, multi-dimensional understanding of innovation. Secondly, the concept is responding to the unprecedented policy experimentation taking place across Europe, as an increasing number of regions adopt it and design strategies departing from their own preconditions. However, although it is generally argued that S<sup>3</sup> is a 'spatially blind' approach and well-tailored to suit in a wide variety of regional settings (e.g. metropolitan, peripheral, old industrial regions etc.), the clear geographical focus and basic understanding of regional economics is largely missing.

This paper aims to contribute to the current debate on the applicability of S<sup>3</sup> strategy in the context of Europe's acclaimed territorial diversity. The focus of the paper is placed on the experiences of S<sup>3</sup> implementation in sparsely populated areas (SPAs) and brought into the framework of policy strategies. The relevance of this research is not only a matter of scientific rigour but also based on a political demand: EU's focus on economic cohesion of European regions, particularly those that are facing specific geographical or economic problems. The empirical backbone of the study is based on five case studies stemming from a workshop organised by the Smart Specialisation Platform (S3P) together with the region of Lapland in Rovaniemi (Finland) in June 2014, covering Lapland (Finland), Nordland (Norway), Scotland (UK), Västerbotten (Sweden), Aragon (Spain). The paper reflects on the particular characteristics and features of S<sup>3</sup> application in SPAs and the relevance of this approach to address and explain existing policy challenges in peripheral regions.

*Austerity (Risk and Resilience)*

## **METROPOLIS AND PERIPHERY – PLANNING POLITICS IN THE CAPITAL REGION BERLIN-BRANDENBURG**

**Manfred Kühn, Leibniz-Institut fuer Regionalentwicklung und Strukturplanung (IRS), GERMANY**

The capital region Berlin-Brandenburg is unique among the 11 metropolitan regions in Germany. It comprises two federal states and therefore is one of the largest metropolitan areas. As a result of the divided history of Germany, until today the capital region is characterized by strong urban/rural contrasts between the capital city

of Berlin and the state of Brandenburg: a metropolis with high population densities is located nearby peripheries with sparsely populated areas. Due to the relocation of the national government after reunification and the attractiveness of Berlin for international migrants, tourists and investments, the German capital is experiencing an ongoing process of metropolisation. After a period of post-industrial transformation and economic stagnation, the number of inhabitants and jobs is increasing since the last ten years. The metropolitan growth is spreading also in a suburban ring around Berlin, including Potsdam, the capital city of Brandenburg. In contrast, the peripheral regions of Brandenburg are characterized by sparsely populated rural areas and small and medium sized cities (e.g. Cottbus, Frankfurt/Oder, Eberswalde). These peripheral towns and regions are dealing with opposite dynamics of population shrinkage, out-migration, economic weakness (e.g. high unemployment rates), closure of schools and hospitals and disconnection of infrastructures (e.g. deficits in access to fast railway and internet). Summarizing, the German capital region can be characterized by contrasting processes of metropolisation and peripheralisation.

The increasing socio-spatial disparities between the metropolitan core and rural peripheries contradict to the aims of the European and German spatial planning politics. The Territorial Agenda of the European Union 2020 states, that it is important to avoid a polarization between capitals, metropolitan areas and medium sized towns and demands for new forms of urban-rural partnerships. The visions for spatial development (“Leitbilder der Raumentwicklung”) in Germany are also requiring for shared responsibilities (“Verantwortungsgemeinschaften”) between metropolitan and rural areas. Taking the example of the capital region Berlin-Brandenburg, the paper asks for urban-rural partnerships between the city of Berlin and the peripheral regions of Brandenburg and discusses how planning politics are dealing with increasing socio-spatial polarisation. Leading questions of this policy-analysis are: a) Who are the main actors of the metropolitan region? b) Which planning instruments - visions, plans, projects - do spatial politics apply? c) How far are these instruments able to achieve a territorial cohesion between the metropolis and its peripheries within the capital region?

#### *Leadership and Governance*

### **TESTING A NEW ANALYTICAL FRAMEWORK TO UNDERSTAND REGIONAL CAPACITY BUILDING IN RURAL DEVELOPMENT PROGRAMS**

**Stefan Kundolf, Johann Heinrich Von Thünen Institute (VTI), Federal Research Institute For Rural, GERMANY  
Patrick Küpper, Thünen Institute of Rural Studies, GERMANY**

Peripheral rural areas are particularly affected by social and economic changes even though European Union and national governments try to counteract the resulting challenges using rural development programs. Therefore, governments experiment with new governance arrangements to support rural development processes. The policies often focus on bottom-up approaches involving local actors and strengthening self-help capabilities. Governments attempt to strengthen regional capacity building, the development of networks and learning processes. The German pilot program “LandZukunft”, which introduces management by objectives and supported regional capacity building over a period of three years, gives an illustrative example of this approach. In practical and scientific discussions, capacity building and learning however remain often fuzzy concepts. In our contribution we approach the research question what capacities regional networks, organizations and individuals build in rural development initiatives. We thus discuss what effects for regional development processes persist after the program has expired.

The analytical framework we developed and applied distinguishes between three levels of capacity building in accordance with theories of policy learning. First, capacities are needed in order to solve unexpected management problems immediately. To this end regional actors adopt simple and existing procedures or learning by doing in an unconscious way. The second level refers to problems that require to rethink and (re)define main goals and strategies for regional development. Therefore, involved actors have to reflect on deeper causes and effects of activities. The third level concerns institutional changes that lead to a new or different set of capacities. We expect this process to require more time for addressing existing obstacles and shortcomings to overcome them. Our proposition is that the levels of capacity building which a region can achieve, depends on regional and general institutions that promote or inhibit successful capacity building. We

hypothesize in addition that existing capacities determine the level of capacity that a funding program may affect. Furthermore, impulses like confusing problems or windows of opportunity initiate capacity building processes without any guarantee for success. The researched pilot program “LandZukunft” itself can be perceived as such an impulse, and it provides simultaneously resources and constraints for such development processes.

After developing an analytical framework of regional capacity building, we accordingly conducted 32 semi-structured interviews with stakeholders and analysed documents, both in different phases of the pilot program. The transcripts and documents were interpreted using qualitative content analysis. In order to frame these texts, we participated in group-meetings, seminars, etc. and analysed the protocols from these observations. Finally, the results are discussed against the background of related discourses on regional and network learning.

Our results show, that the pilot program initiates capacity building even if the regional partnership is already very familiar with similar programs. Though regions that have low capacities to implement the pilot program are not able to use the impulse and its resources to develop own regional capacities on higher levels because they are overwhelmed. Changes of strategies or institutions are most likely if clear objectives and broad support already exist in the region.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **RURAL REGENERATION IN PERIPHERAL GERMAN REGIONS – PARTNERSHIPS FACING THE TRADE-OFF BETWEEN INNOVATION AND PRACTICABILITY**

**Patrick Küpper, Thünen Institute of Rural Studies, GERMANY**

**Gesine Tuitjer, Thünen-Institute of Rural Studies, GERMANY**

**Stefan Kundolf, Thünen-Institute of Rural Studies, GERMANY**

**Tobias Mettenberger, Thünen-Institute of Rural Studies, GERMANY**

Even though the economic situation in Germany is relative stable compared to other European countries, some regions are affected by severe demographic and economic shrinkage for several decades. These lagging regions are characterized by poor job opportunities, out-migration, demographic ageing, closing-down of services, residential vacancy and urban decline. In addition, the options for counteraction are scarce because shrinkage also influences the public budgets. Because many of the most affected regions are rural, the German Federal Ministry of Food and Agriculture initiated in 2014 the pilot programme “Land(auf)Schwung” (Rural upturn) in order to test new strategies coping with demographic change and shrinkage. The paper presents findings of the first phase of the program which lasted from December 2014 until May 2015. For this “starting and qualifying phase” we had identified 39 lagging rural districts that the Ministry invited to develop innovative strategies and governance structures to cope with economic and demographic decline. After the first phase, a jury selected 13 pilot regions for the second phase in which the Ministry provides funding budgets to realize their concepts.

Proponents of new public management argue that such yardstick competitions, based on a coherent target system and a detailed plan for resource use and project implementation, trigger innovative strategies and guarantee value for money. In order to support innovation, yardstick competition would mobilize actors from the network periphery. Hence, the importance of powerful politicians and administrative leaders is decreased. Planning theory literature however assumes that there is a trade-off between innovation and practicability. Particularly radical innovations can only be identified retrospectively, and require open planning processes including vague goals as well as incremental and learning actions. Thus, the submitted concepts should not be able to fulfill the requirements for innovative strategies and feasible measures simultaneously.

Against this background, we address the following research questions: how do the peripheral rural regions deal with the requirements for innovation and practicability in their concepts and what factors do determinate whether a concept is more innovative or practicable? To answer the questions, we have conducted a telephone survey with one representative from each of the participating regions. We have used principal component analysis building factors about innovation and practicability of the concepts. Thus, we can statistically test hypotheses on the influence of different potential determinants. Moreover, we have researched the bidding documents using qualitative content analysis.

Preliminary results indicate rather conservative strategies focused on strategies counteracting shrinkage. New and improved services are planned in order to attract and hold skilled labour forces. Furthermore, actors intend to develop regional products and put them on the market. The strategies should thus contribute to local value added as well as to a positive identification with the regions in the hope of ceasing out-migration. Even though there are some innovative fragments, we conclude that the restrictive requirements in the competition with regard to practicability impede innovative strategies of coping with shrinkage in peripheral regions. Rather than inter-regional competitions, accompanying instruments are needed for helping peripheral regions to develop innovative and practicable strategies.

*Local and Regional Economic Development and Planning*

### **THE BRIDGE TO INNOVATION: A COUNTERFACTUAL APPROACH TO REGIONAL ANALYSES**

**Olav Kvitastein, Bergen University College, NORWAY**

**Jarle Aarstad, Bergen University College, NORWAY**

**Stig-Erik Jakobsen, Bergen University College, NORWAY**

The study examines the impact of a bridge that in 1997 connected Norway's largest inland island Osteroy to the mainland. Despite comparatively isolation prior to 1997, Osteroy's enterprising, innovative business life is today widely acknowledged. A central question is whether the bridge can be credited, or partly credited this development pattern. A central hypothesis is that a shared experience of seclusion stimulated collaboration and that the bridge relieved marked access. Thus, this is predominantly an intervention study. A central objective of the study is to demonstrate methods that facilitate the comparable of study the development of one single aggregate unit with many synthetic comparable units at similar aggregate levels. The synthetic control method is in particular well suited for the analysis of aggregate entities such as geographical regions, counties or municipalities where time-series for relevant information is available. The paper emphasizes the methods applied and the potential of these methods for comparative studies of regional developments.

*Special Session: Path Dependency and Regional Renewal*

### **REGIONAL INNOVATION SYSTEMS AND INNOVATION NETWORKS - A COMPARATIVE ANALYSIS OF TWO CLUSTERS IN THE NORWEGIAN OIL AND GAS INDUSTRY**

**Nina Kyllingstad, University of Agder/Agder Research, NORWAY**

**Nina Hjertvikrem, University of Stavanger, NORWAY**

**Roman Martin, CIRCLE, Lund University, SWEDEN**

This paper deals with innovation networks in two engineering-based clusters in Norway. We address the question of the role of regional innovation systems (RIS) in shaping knowledge networks between firms. The RIS concept puts emphasis on the broader set of actors concerned with innovation, as well as the regional institutional framework that governs the relations between them. We argue that innovation networks between firms can differ considerably if they are located in regions with different degrees of institutional and organisational thickness and industrial diversity. Empirically, we draw on a detailed survey among firms in Rogaland and Agder, two regions with strong competencies in oil and gas equipment development and manufacturing. The survey covers the subsea oil and gas industry in Rogaland (N=30) as well as offshore and drilling industry in Agder (N=39). The firms were amongst others asked about their innovation practices and their knowledge relations with other organisations inside and outside the region. The data is analysed with descriptive statistics and social networks analysis (SNA). The results show that even though the two clusters resemble on many levels (e.g. size of firms, type of activities, and mode of innovation), they display very distinct geographical and organisational patterns of knowledge sourcing. These differences can be attributed to characteristics of the broader RIS, such as the presence of regional policy support, knowledge infrastructure and related industries. Our findings shed new light on the geography of innovation networks and the role that RIS can play for innovation in engineering-based industries.



**Andrew Kythreotis, Cardiff University, UNITED KINGDOM**

**Alan Netherwood, Cardiff University, UNITED KINGDOM**

**Andrew Flynn, Cardiff University, UNITED KINGDOM**

Policy entrepreneurship (PE) has been the subject to much theorisation in the political and social sciences. This paper explores policy entrepreneurship both as an academic concept and more importantly as a practically experienced tool to facilitate increased governance and policy implementation in the context of promoting climate adaptation. The authors use their experiences from over thirty year's combined experience of working at the interface of academia and climate policymaking in the devolved UK region of Wales. We find that there remains three interrelated vacuums with respect to how policymakers understand the practicalities of climate adaptation planning: temporal, territorially-material and knowledge-based. To address these vacuums we highlight twelve important lessons that can be utilised as policy best practice so as to facilitate increased policy entrepreneurship in governance working and policy implementation in the context of climate adaptation.

**Sandrine Labory, University of Ferrara, ITALY**

**Patrizio Bianchi, Department of Economics and Management, University of Ferrara, ITALY**

Although regional resilience has been widely discussed in recent years, scholars recognise that there is little understanding of the determinants of the long-term adaptive capacity of regions. The role of government policy in resilience appears to be in need for further research. Besides this, adaptability and adaptation have been contrasted, arguing that there might be a trade-off between the two concepts, but also that overcoming this trade-off is likely to lead to a better understanding of regional resilience.

The factors for resilience have been outlined in the literature: the structural conditions for resilience (industrial variety in particular: Boschma, 2015; Neffke et al., 2012), the need for an appropriate institutional framework, as well as the presence of networks (Boschma, 2015). Bristow and Healy (2014a, b) outline the role of human agency in regional resilience.

However, the literature also points out that little is yet known about how regions diversify into new growth paths. In particular, the long-term adaptive capacity of regions appears to be largely unresearched (Martin, 2012, Boschma, 2015). Some studies have shown some, but the relative role of inherited industrial and economic structure, as well as the social and political factors are not clear. There is therefore a need to analyse the socio-economic conditions for resilience in more depth.

This paper focuses on the institutional determinants of resilience and asks what is the appropriate institutional framework for the resilience of regions. Particular attention is put on governance, namely the policy decision-making process. Governance defines the characteristics of that process: information gathering, diagnosis and decision, implementation and monitoring. While government means the institution that has the formal authority to make decision, governance also includes other stakeholders that may be involved in the decision-making process, such as private institutions and civil society organisations.

This paper aims at providing new insights on these issues by analysing both long-term and short-term policies in a resilient regions, namely the Emilia Romagna region in Italy. This region has shown capacity for resilience in both its long-term shift (from the 1980s to today) from a model of industrial development based on industrial districts in traditional industries to a regional innovation system, as well as in its recovery from an earthquake arising in May 2012.

The case shows that regional government policy has had an important role in both forms of resilience: adaptation, or short-term capacity to recover from shocks, as shown in the case of the emergency and recovery

policy after the natural disaster; and adaptability, or long-term adaptation, as shown by the capacity of the region to embark into a new growth path, thanks to industrial policy. More precisely, two elements of regional policy-making appear as key factors allowing to overcome the trade-off between adaptation and adaptability: multilevel governance and attention to social cohesion, leading both to adopt actions in a coordinated manner at different government levels, the regional one being a key leader and coordinator, and to define integrated policies, particularly industrial and social policies.

*Climate Change, Sustainability and Mitigation*

## **THE INFLUENCE OF NATURE 2000 SITES ON LAND-TAKING PROCESSES AT THE REGIONAL LEVEL: AN EMPIRICAL ANALYSIS CONCERNING SARDINIA (ITALY)**

**Sabrina Lai, University Of Cagliari, ITALY**

**Corrado Zoppi, University Of Cagliari, ITALY**

In its “Roadmap to a Resource Efficient Europe”, the European Commission established an ambitious goal for the European Union, that of achieving no land take by 2050; a key milestone for the year 2020 was set accordingly, by establishing that in the programming period 2014–2020 European policies should take account of their impacts on land use.

“Land take” (or “land uptake”) is a Euro-English expression variously defined and associated to urban and other artificial land developments and to the loss of agriculture, forest and other natural or semi-natural land. It is a significant issue in the European Union (EU), as it amounted to approximately 1,000 km<sup>2</sup> per year between 1990 and 2006, with an average yearly growth pace in the EU countries for this time interval estimated at 0.5 percent by the European Environment Agency. At the National (Italian) level, a recent report produced by the Italian Superior Institute for Environmental Protection and Research shows that the amount of artificial land (that is, land “taken” by urban and other developments) has increased steadily, albeit with a slight decrease in pace in recent years, reaching 21,000 km<sup>2</sup> (7.0%) in 2014. However, remarkable differences can be found across Italian NUTS2 Regions, as land take in Valle d’Aosta and in Trentino Alto Adige in 2013 amounted to around 2.0% , while in Lombardy, Veneto and Campania it exceeded 10%.

Some previous studies have analysed what the main drivers of land take at the regional level are by means of GIS-based analyses coupled with regression models, and have included in such analyses a reasonably wide range of factors comprising physical drivers (such as, for instance, slope or size of the parcels being taken), planning drivers (such as, for example, the presence of regional and national parks) and social drivers (such as the population density). By building upon such studies, our goal in this paper is to focus on the role that the provisions of the Natura 2000 Network, which consists of Sites of Community Importance (SCIs), Special Areas of Conservation (SACs), and Special Protection Areas (SPAs), play in affecting land-taking processes by looking at the NUTS2 Italian region of Sardinia. The reason for this selection is that in Sardinia strict rules on land development have been enforced since 1993 through regional landscape plans, which have also singled out areas (especially coastal ones) in which new developments are almost completely forbidden; moreover, an extensive Natura 2000 Network, covering nearly 19% of the regional land mass, was set up in compliance with Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora and Directive 2009/147/EC on the conservation of wild birds.

The results and inferences of our study could be easily generalized to other EU regions, provided that similar geographic datasets are available. By shedding some light on the relation between land take on one hand and nature conservation and landscape protection on the other hand, it is possible to enhance regional planning policies to prevent or hinder land take processes, and, by doing so, to help implementing the EC recommendation on no net land take by 2050 into the EU regional policies.

**THE SHAPING AND IMPLICATIONS OF THE REPRESENTATION OF INTANGIBLE CULTURAL HERITAGE:  
A CASE STUDY OF BEATLES TOURISM IN LIVERPOOL**

**Yen-Ling Lai, TAIWAN**

The development of postmodernism and pluralisation of history have led to a growing appreciation of distinct types of cultural heritage. The principle of selecting cultural heritage has thus also changed; it now includes more aspects of multiple values.

However, when cultural heritage comes into tourism market, it raises some issues debating about the effects tourism has upon it. Whether the authenticity of the cultural heritage's historical content would be genuinely presented to the tourists, or it might be misunderstood and misrepresented for the purpose of entertainment is the issue often being discussed. In addition, representation of intangible cultural heritage is another subject being concerned; the cultural manifestation from one generation to another would contribute to give people a sense of identity and continuity. But if misrepresented, it might affect community's sense of belonging or even the external image of its region.

Music heritage tourism in the United Kingdom is under such domain which this research would like to discuss. This research would probe the socio-cultural impact music heritage tourism brings about, setting Beatles tourism in Liverpool as the backdrop of the study. Seeing Beatles as an intangible cultural heritage, this research aims to explore how different stakeholders perceive the representation of the band's culture and evaluate relevant implications of the issues in the field of culture and society.

From methodological point of view, due to the explorative nature of the research, qualitative approach is chosen; interview and participatory observation methods were used for data gathering. In order to probe approaches of the representation of Beatles' culture, the researcher participated in Beatles-related tourism and also visited main Beatles attraction sites. To acquire more objective perspectives, 27 interviews with tourists, local residents and tour guides had been made.

The expected result would show that Beatles tourism, also being seen as music heritage tourism, is interrelated to the shaping of impression to different communities. On the one hand, being an attractor to the tourists, Beatles tourism offers them a chance to further explore Liverpool, which would thus enhance the image of the city. On the other hand, the locals regard Beatles tourism as a manner to have more understanding and connection with the city, it in some way helps to strengthen the local identity among the Liverpoolians.

**PROXIMITY AND INTER-REGIONAL INNOVATION SYSTEMS: A REVIEW OF INSTITUTIONAL  
PROXIMITY**

**Mandy Lalrindiki, Waterford Institute of Technology, IRELAND**

**Bill O'Gorman, Waterford Institute of Technology, IRELAND**

There is a predisposition in assuming that institutions facilitate interaction in regional innovation systems (RIS). However, it is also argued that in a cross-border RIS, institutions' influence on actors on both sides of the borders could create institutional gaps hindering cross-border cooperation, following the idea which suggested that the main challenge of long-distance collaboration is to overcome institutional differences. Institutions have been defined as humanly devised constraints and specified these constraints as formal and informal institutions. While formal institutions refer to laws, rules and other judicial elements, informal institutions imply the use of values, norms and routines. However, when collaborating across borders, not only does the manner in which stakeholders interact change, but what also changes are the relevant norms and beliefs of the interacting stakeholders. Therefore, informal institutions can hinder knowledge transfer across borders. Consequently, it has been broadly debated that geographical proximity can be advantageous for inter-organisational collaboration and innovation and that the possibilities of face-to-face interactions decreases coordination costs

and facilitate the transfer of tacit knowledge. However, in inter-regional collaboration, transfer of tacit knowledge is not possible from a distance and geographical proximity could be substituted or used as an overlap mechanism for innovative performance.

To date, a study has found that there is no indication of substitution mechanisms between geographical and institutional proximity. However, through further qualitative analysis, it was found that it is indeed possible to substitute institutional proximity for geographical proximity and also highlight that rarity, partly because social proximity is an essential intermediate in these cases. This had been acknowledged in previous studies where the possibility of social, organisational and institutional forms of proximity may be strongly interconnected because of the ways intra and inter organisational relations are governed and deeply embedded in the institutional setting. A dyadic level of dimensions of proximity highlights this multi-level embeddedness, where cognitive, institutional, cultural and social proximity falls under organisational proximity. Previous authors have also suggested that future research studies one type of proximity (in experiments). Therefore, this current research studies institutional proximity, and will employ observation and experimental methods. Rather than studying what makes inter-regional collaborations successful, this research will study the barriers that occur when collaboration happens rather than why institutions collaborate and attempt to find the effect of these barriers on developing an inter-regional innovation system.

With the growing need for collaboration with other regions of Europe and increasing funding allocated towards regional development, understanding the effect of institutional gaps will have implications for regional and inter-regional policy makers and/or institutions which have an intention to collaborate across their 'traditional' borders. This research will also give an added value to the study of institutional frameworks, inter-institutional and inter-regional collaboration.

*Special Session: Critical Studies of Urban and Regional Development*

## **SOCIAL ENTREPRENEURS AS CHANGE AGENTS IN REGIONAL DEVELOPMENT**

**Richard Lang, University Of Birmingham, UNITED KINGDOM**  
**Matthias Fink, Johannes Kepler University Linz, AUSTRIA**

The continued marginalisation of (structurally weak) rural regions threatens the social and territorial cohesion in the European Union. Disadvantaged rural regions offer less opportunities for higher education and qualified jobs, and are economically less productive than urban or intermediate regions. They are faced with intense outmigration and a brain drain of young, well skilled residents. Not least, rural regions are particularly affected by the demographic change which puts a burden on the social security systems (EU 2013; Lang, Fink & Kibler 2014; Christmann 2014). Recent entrepreneurship literature has highlighted the innovative and problem solving capacity of community and social entrepreneurs as promising new actors for tackling the social and economic problems of structurally weak rural regions (e.g. McCarthy 2012; Defourny and Nyssens 2010). At the same time, empirical studies show how the institutional context – both in its regulative and social meaning – can put considerable constraints on the ability of entrepreneurs to foster innovations in rural, structurally weak regions (e.g. Kibler, Kautonen & Fink 2014; Fink, Lang & Harms 2013). So despite these unfavourable external factors, how can entrepreneurs create impact from their ventures and diffuse social innovations? In this paper, we would argue that when studying the role of entrepreneurs as agents of change in rural economic and social development, the existence of a vertical, multi-level type of social capital becomes crucial. However, in contrast to the development and planning literature, the concept of linking social capital has not yet received considerable attention in entrepreneurship research. Building on its conceptualization in the planning and development literature (Woolcock 2001; Middleton, Murie & Groves 2005; Lang and Novy 2014; Agger and Jensen 2015), we hypothesise that entrepreneurs represent intermediate actors in the spatial hierarchy who can establish a link between local communities and key resource holders in the multi-level institutional environment. Thus, they are able to access and mobilise important resources for creating and diffusing social innovations by leveraging the effects of existing placebased, bridging and bonding capital in a place. Against this background, the paper explores the following research question: “How does an entrepreneurs’ linking social capital affects the creation and diffusion of social innovations in rural regions contributing to regional development?” The paper introduces an analytical framework for qualitative analysis of linking capital which

takes into account the multi-level character of this form of social capital, the power dynamics between different actors and the temporal aspect of actor networks. It provides a critical reflection and refinement of previous social capital approaches in the entrepreneurship literature (e.g. McKeever, Anderson, & Jack 2014) focusing on the institutional and territorial embeddedness of entrepreneurs. It adds to existing literature in the field, by mobilizing value-adding insights from other disciplines in order to conceptualise linking social capital as a multi-level analytical framework which helps analysing the capacity of entrepreneurs to leverage existing social and economic resources for advancing social innovations in rural regions.

*Geo Economy and Geo Politics*

## **CURRENT YIELD OF COMMERCIAL REAL ESTATE AS AN INDICATOR OF INVESTMENT APPEAL OF THE REGION**

**Viola Larionova, Ural Federal University, RUSSIA**  
**Ksenia Maltseva, Ural Federal University, RUSSIA**  
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Investment appeal of the region (country, city) is determined by set of objective social and economic, political, ecological, natural and climatic factors of regional growth. The territory investment potential is composed of its competitive advantages. Geostrategic, natural and climatic, and demographic conditions concern absolute advantages. If local authorities create favorable conditions for business, these conditions also present a competitive advantage of the region.

From the point of view of harnessing of regional absolute advantages, the most important resource which provides economic result for the external investor is land and natural resources which cost essentially varies from region to region. Investments into objects of commercial real estate are also attractive.

The decision on investment in building of commercial real estate object is accepted on the basis of a number of indicators among which the core one is the current yield of real estate. It is determined as a ratio of the pure operational income and initial investments. This research is devoted to the analysis of current yield of commercial real estate in various regions of Russia.

The analysis was conducted on the example of a sample shopping center building with the set area, space-planning decisions, and technical and economic characteristics. During modelling of a sample building in each of researched cities, the volume of necessary capital investment was calculated on the basis of territorial cost indexes of construction goods in considered regions. As a result of the conducted calculations, it has been shown that in the Southern and North Caucasian Federal district the cost of building is the lowest whereas developing of similar object in the Far East requires 1.3 times more investments.

Generally, the lower the volume of investment costs, the higher current yield of real estate; however, it is determined not only by construction cost, but also by pure operational income of commercial real estate at the exploitation stage. Within a framework of the offered model the net operating income was determined as current revenue from real estate rent minus all expenses on maintenance of service characteristics of the object and taxes. Rent rates were calculated on the basis of market research of shopping centers in considered cities. Operating expenses included land lease, property tax, administrative and maintenance expenses, and also facilities. The land lease payment was determined on the basis of its market value for different cities under the rates fixed by the corporate legislation of the Russian Federation.

As a result of the conducted calculations, it has been shown that the objects located in Moscow and St.-Petersburg have the highest rate of return; this could be explained by the higher level of economic development of the capital cities. Objects in Stavropol have the lowest rate of return.

Thus, it has been found that social and economic factors of regional development have determining influence on current yield of commercial real estate. Regardless of territorial distinctions and construction costs, cities with more developed economic systems are capable to provide higher level of investment appeal of the region.

**WORKER'S SPATIAL AND SECTORIAL MOBILITY AFTER MANUFACTURING PLANT CLOSURE. THE CASE OF REGION VÄSTRA GÖTALAND, SWEDEN**

**Anders Larsson, University of Göteborg, SWEDEN**

**Martin Henning, University of Göteborg, SWEDEN**

**Erik Elldér, University of Göteborg, SWEDEN**

It is almost a stylized fact that we live in times of concentration of economic activity to the service sector in urban core areas, at the expense of industrial employment opportunities in non-core areas. This view is supported by aggregated empirical observations, not the least in the EU context. However, less is known about intra-regional processes. This research contributes to a more space sensitive understanding of labour redundancies through the use of micro data with high geographical resolution, in a region traditionally associated with a large manufacturing base.

The aim of the paper is to map and analyse detailed inter-regional mobility patterns of workers in non-core areas after a plant closure. Research questions are concerned with the effects of plant closure. More specifically the link between individual's change of municipality of residence and work on the one hand and the employment opportunities given in the nearby area on the other. Register-based micro-data of the entire population allows a longitudinal research design. We select workers in the manufacturing sector based on their place of work at the year of plant closure and record their place of work and residence 5 years later. Based on this data it is possible to analyse movement in space as well as between sectors over time as well as accessibility to jobs for each year and each individual.

Findings indicate that the vast majority of individuals still had their place of residence in the same non-core municipality five years after the plant closure. Half of this group still worked in the same municipality while one third worked elsewhere, most likely commuting to work. The main urban centre (Gothenburg) in the region was less attractive than expected. There are instead indications of higher relative attraction from medium sized centres.

In terms of sectorial movement the analysis indicates a substantial shift away from manufacturing towards the private service sector. Only half of the group were still employed in manufacturing five years after the plant closure.

In order to capture the significance of the local labour market in both providing opportunities to stay as well as a reason to move, we also include accessibility to jobs in different sectors into the analysis.

**A BOTTOM-UP CLIMATE IMPACT COST ASSESSMENT FOR ROAD INFRASTRUCTURE IN ALPINE REGIONS: A REGIONAL CASE STUDY ON THE PROVINCE OF SALZBURG**

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**Birgit Bednar-Friedl, University of Graz, AUSTRIA**

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According to a recent European study, around 50% of damages to road infrastructure are triggered by weather and climate variability. Depending on future climate change and anthropogenic land-use change, road infrastructure could be increasingly affected in damage event frequency and costs. Especially, extreme precipitation events are a major threat for mountainous regions because they may trigger mass movements such as landslides and debris flows. It is hence essential that relevant information is available to decision makers such that robust decisions on mitigating such damages, either by reducing socioeconomic drivers or by investing in climate change adaptation, can be taken.

Despite the importance of impact assessment at the regional level to guide such decisions, the majority of climate impact assessments is either done on much higher levels of aggregation, namely the national and cross-national level, or by conducting a case study at a much smaller scale (e.g. for a particular city). The case study in this paper addresses the level in between, namely the provincial level as this allows to compare across major roads and regions. By focusing on landslides and debris flows in the province of Salzburg in Austria, we compare costs for maintenance of secondary roads, immediate action after a damage event, and investment into protective measures.

In this paper, a classification of climate impact and adaptation measures is elaborated which attempts to align the climate change impact and adaptation methodology with the empirical observations on maintenance and repair and preventive measures. For this purpose, we analysed a dataset of 1050 public expenditure cases for the provincial road infrastructure in the Austrian province of Salzburg in the period from 2007 to 2014. Over this period, € 8.7 million can be attributed to climate impacts to road infrastructure with remarkable extreme years in 2013 and 2008 with damage costs of € 3 million and € 1.7 million. On the other hand, for technical adaptation measures € 15.6 million are spent. Moreover, for debris flows 71% of costs are related to protective construction measures, 20% to maintenance and only 8% for immediate action (repair and reconstruction after an event). In contrast, costs related to landslides are mostly for immediate action (60%), followed by maintenance (33%) and only 7% of costs are for protective measures. One key result is therefore that the potential for adaptation is very different depending on the type of damage event.

Secondly, while damage events spread widely along the provincial road network, a spatial hotspot analysis reveals that events accumulate on one major alpine road. But given the high costs for preventive measures as opposed to maintenance and immediate action, a careful cost benefit analysis is needed to determine how much resources should go into preventive measures, how much should be set aside for immediate action, and how much should be used for other adaptation measures such as early warning systems.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

## **SMART SPECIALISATION AND POLICY-MIX: ECONOMIC AND POLITICAL CHALLENGES WITHIN THE ITALIAN EXPERIENCE**

**Giulia Lazzeri, Scuola Superiore Sant'Anna, ITALY**  
**Alberto Bramanti, Bocconi University, ITALY**

Smart specialisation (S3) strategies rank at the top of policy agendas in EU countries and regions. Grounded in modern thinking regarding the role of industrial policy (Rodrik 2004; Hausmann and Rodrik 2003; Aghion et al. 2011), and the relationship between economic geography, technology and institutions (North, 2005; Farole et al., 2011, Rodríguez-Pose, 2013, Morgan, 2015) S3 entails the identification of a limited number of R&I priorities (specialisations) through which a region can realistically hope to excel, thus finding its unique role and competitive advantages within global economy (EC, 2012).

Most of the on-going debate focused on the strong process dimension of the S3 agenda, i.e. on the requirement to set up an inclusive and effective “entrepreneurial discovery process” able to reveal the “desirable areas of interventions” through a strategic interaction between the public and the private sectors (Foray, 2015). But what is meant and what are the boundaries of S3 strategies? Which policy-domains are actually affected by this new paradigm?

Conceived in line and in brake with traditional policies, S3 is neither an industrial nor an innovation policy in its original meaning. Inspired by a vision of innovation that is open and user-centered, S3 is not just about S&T. The new agenda supports also practice-based (non-technological) innovation, thus having impacts on a wide range of policy-domains (from the modernization of manufacturing to environmental and energy policy, from service’s digitization to health and tourism). As a result, S3 is emerging as a truly development policy characterized by a strong territorial dimension, aimed at pursuing the general objective of growth through innovation.

The S3 holistic template is fully in line with the EC intents, i.e. ensure the formulation of place-based policies whose contents are more congruent with the specificity of regional assets, and able to capture the innovation potential that lies in regional diversity (EC, 2012). But when moving to the implementation phase, the rapid translation into practice of theoretical ideas that are still in development, and the ambiguities underlying the concept of specialisation lead to conflicts between policy theory and practice, especially as far as the definition of an effective policy-mix is concerned.

Policies of the new orientations decided under S3 might result in a broad combination of interventions from different domain and levels, with the risk of being affected by an unclear definition of their scopes and goals. This poses serious questions about the possibility to identify the appropriate tools for implementation, and the expected outcomes against which effectiveness should be evaluated.

The paper will discuss these issues theoretically and empirically, reflecting on the answers that the S3 multi-domain agenda has so far been able to offer to the specific needs of the Italian context, in terms of the necessity to re-specialise its industrial and innovation policy and related goals, both at the national and regional level. Characterized by a wide internal variation in the overall economic performance indicators, Italy also represents an interesting context to reflect on the variety in "potential for S3" displayed by different types of regions.

*Special Session: Critical Studies of Urban and Regional Development*

## **ETHNO-CULTURAL DIVERSITY OF RUSSIAN REGIONS AS A FACTOR OF THEIR ECONOMIC GROWTH AND BUDGET ALLOCATION**

**Leonid Limonov, ICSE Leontief Centre, RUSSIA**  
**Marina Nesena, ICSE "Leontief Centre", RUSSIA**

In the ethno-cultural composition of modern Russian society, about 80% of the population are Russians, the remaining 20% are representatives of more than 180 of other nationalities. Processes of ethnic assimilation accompany Russian state throughout its history; in spite of this, many ethnic groups in Russia continue to maintain their cultural identity. Ethno-cultural diversity varies significantly by regions in Russia.

The purpose of this research is to examine cultural diversity in Russian regions, its influence on the economic growth, to assess its economic value, and test the hypothesis that ethnic diversity of regions is linked to the amount of public goods supplied by them. Is the ethnic and other kinds of cultural diversity influence the economic growth? Is international and internal migration contributing to productivity in Russian regions? Does the ethnic diversity influence the amount of public goods in ethnically heterogeneous regions of the Russian Federation, and in what way? The influence of cultural diversity in Russian regions on the economic growth was tested by the neoclassical theory of economic growth, with the beta-convergence model introduced by R. Barro and X. Sala-i-Martin taken as the theoretical basis. To study the economic value of cultural diversity there was used the theoretical models of rent and wage differentials developed by D. Roback, J. Ottaviano and J. Peri, where diversity is seen as amenity (or disamenity) that affects firm productivity and customer satisfaction by localized external effects, and a theoretical model offered by Alesina A., Baqir R. and Easterly W. that links heterogeneity of voter preferences to the amount of public goods.

The study has revealed that while ethnic diversity in regions has no significant influence on the economic growth in Russia, in respect of international and internal migration, the beta-convergence model demonstrates a steady dependence of regional income growth rates on the diversity of the population based on the country and region of origin but with no influence on the convergence. The study has also shown that interregional and international migration in Russia is not a stable significant positive factor for productivity. In particular, it has found negative effects of both internal and international migration on productivity in Russian regions with a higher population density. In regions with a small size of economically active population, the diversity generated by internal migration is a positive factor, with the dominant being consumption and not production externality.



In assessing the effects of ethnic diversity on shares of social spending from regional budgets, the most significant results were obtained for education. The share of spending from regional budgets on the public good of education is inversely related to the ethnic fragmentation of Russia, just as the case is with the United States.

*Urban and Regional Theory, Methodology and Data*

### **NON-EQUILIBRIUM DYNAMIC SIMULATION OF SPATIAL EVOLUTION OF THE POLYCENTRIC STRUCTURE IN METROPOLITAN AREA IN CHINA**

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**Jin Weng, Tourism Department, Fudan University, CHINA**

Since the 1990s, cities in China have experienced a period of rapid growth. In face of the increasing complexity of the urban sprawl, many big cities are planning to build new towns to avoid over-intensive population and infrastructure construction and to ease the pressure on urban centers. Some findings show that the rapid increase of the share of service industries in the local economy can raise the probability of the emergence of subcenters. This paper builds a mathematic model of spatial structure of metropolitan area base on the theory of New Economic Geography in old and new center scenario. By using agent-based modeling and out-of-equilibrium simulation, the spatial structure of subcenters can be observed dynamically in different scenarios and spatial evolution is path dependence. Dynamic simulations show that (1) Size matters a lot. Population growth in metropolitan area is conducive to subcenters which implies the commercial centers emerged in the suburban area were mostly subjected to population pilot policy. (2) Demand remains important. The continuous growth of demand scale and capacity depend the formation of the polycentric structure in metropolitan area. The capacity of consumptions has outstanding impact on agglomeration of subcenters. (3) Fixed cost and transport cost help a lot. The greater the gap of commercial fixed input between the new and old center is, the more imbalanced urban space distribution would be, and more easy to form the core-periphery structure. If the fixed costs are reduced continuously in suburban area, it is beneficial for the formation of subcenters and the core-periphery structure of metropolitan area could be changed gradually. (4) Transportation is a double sword. Commerce and business tend to gather in the place with location advantages, and continuous improvements in traffic condition between old and new center in metropolitan area will accelerate the spatial concentration in old center. The probability of the emergence of subcenters decreases with the increase of the distance to the city center, which implies the subcenters emerged in the metropolitan area were mostly close to the central area of the city and the decentralization of population in the metropolitan area was still limited in spatial scale. (5) Due to love-of-varieties, the specialization and diversity contribute much to the formation of subcenters in metropolitan area by continuous innovation and difference-making competition strategy.

*Innovation, Agglomeration, Evolution*

### **THE ROLE OF EU-CHINA TRANSNATIONAL UNIVERSITY COLLABORATION (TNUC) IN EU-CHINA TRANSNATIONAL INNOVATION SYSTEM (TNIS)**

**Cui Liu, Zhejiang University, CHINA**

**Yuzhuo Cai, University of Tampere, FINLAND**

Along with the improvements in technology and the liberalization of international economic policies, innovation is increasingly enacted through networks of actors and institutions in various places. The international linkages are as important as the national and regional linkages for the development of the innovation system. In the innovation system, the university plays an indispensable role through the production, transmission and application of knowledge. Setting into the background of EU-China cooperation, this paper explores the potential of developing EU-China TNIS and examines the role of EU-China TNUC in EU-China TNIS.

The analytical framework of the paper is established on the assumption that complex functions and interactions between the universities, governments and industries in TNIS take place in both the spatial and institutional environments and are imbued with both the spatial and institutional logics. The interplay of the spatial and institutional logics can be explained on three dimensions, namely proximity, scale and stage. Proximity refers to

the similarities and differences between Chinese universities and European universities as well as between the university and other actors in TNIS. Scale is not understood as a fixed, bounded, self-enclosed and pre-given container, but establishes itself and is established through the geographical structure of social interactions. Stage refers to the different degrees of integration in TNIS along with its evolution.

Based on the theoretical framework, the paper will first make an overview of the EU-China innovation system, compare their similarities and differences, ascertain the existing EU-China collaboration in innovation, and analyze the feasibility of promoting EU-China TNIS. Then it will make an overview about the EU-China TNUC, identify the factors influencing the success or failure of TNUC, and analyze the influence of TNUC on TNIS. Finally, the paper will solicit recommendations for EU and Chinese policy-makers and practitioners on how to leverage TNUC between the two sides for better innovation cooperation and mutual economic growth.

This paper is based on the review of government policies, circulations and relevant literatures. It also takes empirical study on some typical cases about EU-China TNUC. The paper will open up new visions by focusing on the transnational scale with network relationships between and across different scales and by developing models of cross-spatial interdependency.

*Austerity (Risk and Resilience)*

## **ACTIONS FOR INNOVATION: HOW CAN LOCAL GOVERNMENT INTERVENE?**

**Jaan Looga, University of Tartu, School of Economics and Business Administration, ESTONIA**

The ongoing economic, fiscal and social divergence between regions and local governments (especially in new EU member states) has not been slowed down, EU politics and central governments try to find specific intervention mechanisms for rural areas. The case of Estonia only confirms the problem of regional disparities – small and rural local governments (LGs) have low fiscal autonomy and ability to fulfill their functions, they crowd out, they are not able to take part in EU initiatives (smart specialization) etc. Estonian innovation (industrial and RDI) policy is highly centralized, focus is on whole country (not on regional nor local level) and the planning is on national level, low involvement and joint solutions with LG level are missing, which makes Estonia unique country among EU, because there is no evidence of regional industrial or innovation policy (Karo, Kattel 2015). So the Estonian case is unique, because it is necessary to find intervention actions for LGs, who are one of the weakest in EU.

Regional or local innovation system literature does not give advice how peripheral LGs (without universities, high-tech enterprises or even high schools) can promote innovation. More suitable framework for Estonian LGs is the Science, Technology and Innovation (STI) approach, which gives hints through evolutionary-structuralist public intervention rationale that the LG itself should be an agent of change.

This paper tries to find how LG can influence the innovation in the area that it governs. Firstly, regional development theories (from location theory to new economic geography) will be analyzed to find the factors of economic development on local level, by using different approaches of LG intervention rationales as a filter. The intervention rationales stem from the STI-mode (Manjón, Merino 2012, Laranja et al 2008, Capella 2011): neoclassical approach, Schumpeterian growth theory, neo-Marshallian approach, systemic institutional approaches and evolutionary- structuralist approach, so for each regional development theory it is possible to find different intervention rationales. This analyses helps to understand LG role in innovation better, than the discussion about the role of endogenous factors in regional development, which say that the local level importance is brought out only in the latest regional development approaches from 1970-s (Dawkins 2003, Capella 2011) or the mainstream economic (neoclassical economic growth) theorists view, who do not concentrate on (local) institutions in (regional) policy (Rodriguez-Pose 2013). Secondly, after the LG intervention rationales from the theory are found, Estonia LG actions will be analyzed. Therefore, Estonian legal framework of LGs and policy reports are used – these approaches show what the formal possibilities of Estonian LGs to intervene are and on the other hand, what are the actions of LGs in reality.

**Judyta Lubacha-Sember, Cracow University of Economics/ University of Bremen, POLAND**

For appropriate usage of structural policy instruments, an adequate diagnosis of regional needs and available resources is required. Measurement of regional resources is an important instrument for regional policy, because it allows to present the strengths and weaknesses of the regions. Intellectual capital of the regions is that kind of resource which is intangible, and difficult to measure. However, the measurement of Intellectual Capital of the European Union regions could give us knowledge about regional assets which are important for economic growth. Research showed the positive relation between the level of intellectual capital and the development level of a country [Seleim and Bontis, 2013; Phusavat et al., 2012; Bismuth and Tojo, 2008] or a region [Wosiek, 2012].

First attempts to measure intellectual capital on the national level were made in 1996: in her master's thesis, Jerehov and Stenfelt in cooperation with Edvinsson created a model of Swedish intellectual capital. Next came the researches of Israeli intellectual capital conducted by Pasher with the help of Edvinsson and Stenfelt [Edvinsson i Stenfelt, 1999]. The first complete and comprehensive model of intellectual capital measurement was created by Bontis [2004], who in 2001 conducted a research on the intellectual capital of Arab countries. He modified Edvinsson and Malon's model [1997] so that it accommodated the macroeconomic level.

Researches on intellectual capital on the national and regional level include: Andriessen and Stam [2005], Pulic [2005], Schiuma, Lerro and Carlucci [2008], Edvinsson and Lin [2011]. In Poland, there have been 4 intellectual capital researches: Polish Intellectual Capital [Raport 2008], "Intellectual Capital of the Lublin region – regional potential research" project [Wodecki, 2007], Regional intellectual capital model [Więziak-Białowolska, 2010], Intellectual capital in the development of Eastern Poland regions [Wosiek, 2012]. Intangible resources are not enough investigated on the regional level and presented research is another attempt to make a contribution into that field.

The main objective of the article is to present the results of the research project (Research project is realised at the University of Bremen and financed by DAAD (German Academic Exchange Service) as Research Grant for Doctoral Candidates and Young Academics and Scientists), in which Regional Intellectual Capital is seen as an instrument to measurement the intangible regional resources. Based on previous research, following components of Regional Intellectual Capital Index are proposed: Human capital, Social capital and Structural capital. The analysis includes NUTS-2 regions for all European Union countries.

The second objective is to investigate relation between level of regional development (measured with GDP per capita) and Regional Intellectual Capital as whole index and its components separately.

**Karl-Johan Lundquist, SWEDEN**

**Martin Henning, School of Business, Economics and Law University of Gothenburg, SWEDEN**

**Lars-Olof Olander, Department of Human Geography, SVALBARD AND JAN MAYEN**

In the literatures discussing technology shifts and techno-economic paradigms, surprisingly little attention is paid to geography and long term regional economic growth and transformation. At large, this goes at odds with the development in other comparable literatures, where geographical aspects of economic growth have received a considerable attention the last decade (for instance the New economic geography). In the first part of the paper, we will suggest a theoretical 'systemic' approach for analyzing long term regional economic growth and transformation. Special emphasis will be given to general purpose technologies and macro innovations and

their effect in time and space, such as lead-lag relations between industries and regions leading to divergence and convergence in regional growth as consequences of technological change, market integration and economic growth. To make the empirical case, we will summarize how we have used detailed industry time series data and applied a systemic approach to follow Swedish regions from the structural crises in the mid-1970s to the present structural crisis. The systemic approach reveals time lags as well as spatial asymmetries between industries and regions leading to changing patterns of divergence and convergence in the regional system. Broadening the analysis, we also explore to what extent dramatic structural transformation and renewal in Swedish regions is paralleled by favourable developments of income, employment growth and value added total growth between 1985 and 2008.

Using the technology shift thesis in combination with a systemic geographical approach, this paper contributes to the understanding of when and where economic growth and transformation takes place in a regional system. The approach emphasizes the traits that regions of similar characteristics and size share, rather than what makes them dissimilar. In particular we find clear and general geographical patterns through lead-lag relationships, in the development of growth, jobs and income. The technology shift thesis combined with a systemic approach puts modern location theory into a new framework, which opens the way for new multi-theoretical approaches within economic geography.

*Leadership and Governance*

## **WICKED GAME OF REGIONAL DEVELOPMENT POLICIES**

**Niklas Lundström, University of Vaasa, FINLAND**

Regional development policies and regional planning can be seen as a wicked problem. Such problems are described as 'malignant', 'vicious', or 'aggressive' (Rittel & Webber 1973). They are impossible to solve or even define due to changing requirements and contradictory viewpoints. Wicked problems are considered as contrary to tame problems and various sets of characteristics are recognized (eg. Rittel & Webber 1973; Conklin 2006; Norton 2001, 2005).

The academic interest in wicked problems has increased in the 21st century. But as Xiang (2013: 2) notes, most of the research on wicked problems tend to be mainly repetitive descriptions about the wickedness, usually by case-studies. The research is at some kind of a stagnant stage at the moment. Therefore the theoretical explorations must go further, just as Xiang emphasizes. This paper has its backgrounds on complexity sciences and discusses the concept of wicked games.

Wicked game is the framework through which wicked problems are tackled (Lundström 2015). The gaming perspective is more active compared to 'just' resolving problems and emphasizes collaboration. Wicked game is described through five characteristics. First, there are no coherent set of rules as the players play the 'development game' by their own rules. Second, the players change all the time, anyone who is involved in the game somehow is a potential player. The potential players range from corporations to local and regional political institutions but also citizens as stakeholders should be considered as players. The players both resolve and create wickedness at the same time; after all, wicked problems are based on interaction. Third, the playing field is networked, complex and scale relative. Fourth, no one can master the wicked game by practice because of the constant change of the players. Last, there is no ending point in wicked game because of the non-stopping rule. Previous studies on wicked games implicate that the wicked game of regional development is challenging and non-linear (Lundström 2015; Lundström et al. forthcoming). Traditional leadership is not suitable in the wicked game due to its complexity. Because of this the complexity should not be repressed. The resolutions should be looked from methods that embrace complexity. Enabling emergence and self-organization should be regarded as a possibility for regional development policies if they are comprehended as a wicked game. The principles of complexity and wicked game suggest that all the potential players should be engaged to policymaking; just as Xiang (2013: ) calls for broader and transdisciplinary approaches for 'tackling', 'taming' and 'embracing' wicked problems.

**GOVERNANCE INSTRUMENTS FOR SUSTAINABLE MOBILITY IN GRAZ AND HANGZHOU:  
UBIQUITOUS INSTRUMENTS, LOCAL ADAPTATION**

**Outi Luova, University of Turku, FINLAND**

This presentation explores the attempts by urban governments in Hangzhou (China) and Graz (Austria) to reduce carbon emissions by changing the mobility behavior of their residents. The study shows how the best practices for sustainable mobility are shared by ambitious cities transnationally. The two case study cities utilize same governance tools but implement them in different ways because of different local context. The objective of the study is to contribute to the in-depth and comparative studies that are needed to increase our understanding of local adaptation of transnationally shared best eco-governance practices.

The analytical framework is based on three different categories of ecological governance instruments (developed from Opschoor and Turner 1994; Fryxell & Lo 2002). With the help of the three tools local authorities can pursue to raise the awareness of the residents, enable them to change their behavior and steer or even force them to use more sustainable modes of mobility.

The instruments are:

1. Regulatory instruments that include for example prohibitions, restrictions, guidelines and plans issued by government units. Regulatory instruments can provide new alternatives or forbid old ones.
2. Communicative instruments include for example education, information dissemination, campaigns, training, steering public expectations and learning by doing. It aims at inducing voluntary adaptation of ecological behavior and at stimulating the readiness to contribute (rather than to come with a list of demands).
3. Economic instruments include for example charges, subsidies, bonuses and tradable permits. They aim to change the context in which the consumer does decisions.

The study uses the concept “ubiquitous eco-city” (Joss et al 2013) to frame the comparison. Based on a survey on 178 eco-city initiatives worldwide, Simon Joss with his colleagues concluded that urban sustainability policies have become globally mainstream – a phenomenon that they call “ubiquitous eco-city”. Although urban eco-policy initiatives share many common features, the localization of the ubiquitous plans into the social, political, economic and cultural context of cities necessarily leads to great diversity. The survey conducted by Joss and his research group exposed striking diversity of local concepts, forms and practices, which led them to call for more in-depth case studies in the local forms urban eco-policy initiatives.

The study is based on an analysis of local official policies, plans and guidelines issued by relevant authorities in Hangzhou (China) and Graz (Austria). These two cities are chosen as cases because they both have ambitious green mobility agendas and they represent important second tier cities in their respective countries.

**RE-SPECIALISATION AND HOLLOWING-OUT: INDUSTRIAL DYNAMICS ON THE POST-SOCIALIST PERIPHERY**

**Gabor Lux, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

Industrial restructuring in post-socialist Central Europe has resulted in a new balance of industry and services – significant, although territorially uneven tertiarisation – and the deep transformation of formerly significant industrial regions. Although all of these regions experienced symptoms of a structural crisis in the early years of transition, their development patterns have been rather divergent: some experienced relative smooth integration into global production networks; other struggled with structural and network-related problems of “Old Industrial Regions”; and yet others experienced deep deindustrialisation.

In this paper, relying on case studies from Hungary, Poland and Czechia, and supplemented by cross-sectional data, the author argues that instead of radical structural change, the more successful patterns of industrial adaptation in the region have followed a gradualist model of transformation instead of radical structural change. We can see that the beneficial effects of radical tertiarisation have been mostly concentrated in metropolitan regions (mainly national capitals), while elsewhere, successful restructuring has relied on virtuous path-dependencies rooted in previous industrial traditions.

Regions which could rejuvenate their previous skillset, or convert their knowledge base to new forms of industrial production and integration are undergoing re-specialisation and the slow emergence of resilient industrial networks; while regions which could not exploit these continuities increasingly experience hollowing-out, the loss of their productive capabilities and the erosion of the knowledge bases which could lead to socio-economic renewal.

Contrary to many expectations, the overly “thick” and “rigid” networks of Old Industrial Regions have been much more successful in survival and competition than those peripheries where these networks weren’t present, or they were lost after the dissolution of their inherited industrial base. Skilled labour, institutions, and technical skills are now among the most valuable assets of post-socialist regions, and with a few significant exceptions (particularly coal mining), these industrial heritages are being converted for the needs of new industries.

This is not the case in hollowed-out regions, where consumption-oriented services have failed to revitalise the regional economy, while local productive capacities and knowledge assets are insufficient to reconstruct competitive and resilient local economic networks. In these less dense, peripheral region, we can still find evidence of path creation and early-stage industrial organisation. However, the weak institutions of their regions, supplemented by the specific Central European problem of low capital accumulation and a high reliance on Foreign Direct Investment, presents specific challenges which necessitate a re-thinking of development strategies. In the author’s opinion, the cornerstones of these strategies should be a stronger commitment to human resource development, network-building, and support for emerging medium-sized domestic companies.

#### *Case studies in innovation*

### **REGIONAL DEVELOPMENT FOR STATUS MARKETS: ELECTRIC VEHICLES AND CONSUMER PERSPECTIVES**

**Stewart MacNeill, Centre for Business in Society (CBiS), UNITED KINGDOM**  
**Carlos Ferreira, Coventry University, UNITED KINGDOM**

This paper presents a preliminary analysis of the potential role of local and regional economic development in the development of a servitization model for marketing electric vehicles (EVs).

The transport sector is estimated to be responsible for around 14% of carbon dioxide emissions worldwide. As a result, there is an on-going interest in EVs and their potential for reducing emissions. Governments have offered various incentives for consumers wishing to acquire EVs, including grants to reduce the purchase price, help with charging infrastructure, waiving road use taxes, access to free parking and charging and to bus lanes, as well exemption from congestion or emissions charges in cities. However, and despite these incentives, the uptake of EVs has been slow, confining these vehicles to a small niche of the total automotive market. On current standing, it seems unlikely that EVs will appeal to mass consumerism.

However, work on status markets and the importance of ‘value added services’ provides an interesting model for how the EV market might develop. Appealing to differing aspects of consumer lifestyle, status and valuation may hold the key to future sales of EVs within the status or luxury market. One key may be a ‘servitization’ model, where producers develop on-going and individualised relations with purchasers, as typically seen in the markets for luxury and status vehicles. To develop such markets would require that manufacturers add value to EVs themselves, but also that they constitute and integrate downstream networks with other companies, which can provide additional services and value for consumers.

An important area of support for such networks may be through regional economic development policies. We argue that support for servitization in the market for EVs could provide an example where a 'status based' innovation policy could be both beneficial and affordable as regions seek to position themselves within global networks. Based on an analysis of automotive companies producing EVs in the UK West Midlands and other regions, this paper presents a first overview of how downstream networks for servitization are constituted. The results suggest that the idea of creating status-style markets for EVs holds potential, and that some of those important networks are being created.

Currently, there is no deliberate policy seeking to develop or support such networks. However, considering the historical success of status vehicles produced in the West Midlands, we argue that there are parallels that make the organisation of servitization networks a future area of interest in terms of both policy and research.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **THE ROLE OF UNIVERSITIES IN SMART SPECIALISATION: A CASE STUDY FROM OSTROBOTHNIA**

**Antti Mäenpää, University of Vaasa, FINLAND**

**Seija Virkkala, University of Vaasa, FINLAND**

Universities are often seen as key players in the regional innovation field. It's widely acknowledged that they generate knowledge spill over effects and thus contribute to regional growth and prosperity (see Etzkowitz et al. 2000, Huggings et al. 2012, Lawton Smith & Bagchi-Sen 2012). The EU also acknowledges this role in the smart specialisation strategy, which is a regional innovation strategy for all European regions (Foray et al. 2012, European University Association 2014). Indeed, the possible benefits of universities are well known, but the real question is whether they play such a key role in regional innovation systems or not. Even if they do, it is beneficial to study more about the nature of this role.

There have been several studies about measuring the role of universities within the innovation networks (especially Kauffeld-Monz & Fritsch 2013), but only few relate to smart specialisation. Within smart specialisation concept the innovation network is usually described via triple helix theory (Leydesdorff & Etzkowitz 1998, 2000). This theory establishes that there are three main regional actors, i.e. helices (universities, companies and public administration) and their cooperation is the key for prosperity. Universities are seen as having an important role in regional development because they act as mediators for other regional actors (via research). They also help the region by connecting the local entities to wider research networks and thus act as global pipelines and "beacons" of innovation for the region.

The paper presents a tool for measuring the role of universities in regional triple helix networks. It has been developed as a part of the Ostrobothnian region's model for smart specialisation (Virkkala, Mäenpää and Mariussen 2014). In the model 63 regional experts from various helices (universities, companies and public administration) were asked about their cooperation with other helix partners. This was executed by conducting surveys regarding expectations and experiences of various aspects of cooperation. The differences between these two values presented gaps, which are specific challenges in innovation cooperation. These gaps were introduced again in focus group meetings to the respondents in order to learn the reasons for them and to bridge them. This way the model also provided qualitative data to better understand the challenges in regional innovation cooperation and gave more information about the role of universities in them.

The preliminary results from Ostrobothnia seem to verify that universities are connecting local entities to global research and thus strengthen the regional innovation network. However the findings also indicate that expectations towards cooperation with universities are not that high on other regional actors and there seem to be differences in these relations regarding to whom you ask about them. This raises interesting questions regarding the role of universities in smart specialisation.

**Xin Mai, The University of Hong Kong, HONG KONG**

**Roger C.K. Chan, Department of Urban Planning and Design, The University of Hong Kong, HONG KONG**

The growing popularity of research on resilience is due to the increasing uncertainty from the interconnections between economic, social and environmental crises in the current complex global networks (Modica and Reggiani, 2014). Arguably, the notion of economic resilience has become ‘of the moment’ because of its capacity to travel across disciplinary boundaries and potential importance for informing policymaking. However, despite its popularity, the concept of economic resilience per se is ambiguous; it is hotly debated on its value-added to concepts such as sustainability and vulnerability. So far, resilience thinking is developing with intense theoretical discussions whereas its application in planning practice is rather limited. Accordingly, precise conceptualization of resilience under the socio-economic context and its implications on regional development could generate new insights for the sustainable development in the long term.

The explanatory power of economic resilience would be demonstrated by the theoretical framework of Evolutionary Economic Geography (EEG) in this paper. With the acceptance of ‘ontological uncertainties’, resilience considers transformation as a normal and inherent part of the operation of systems and thus signifies the importance of planning to be well prepared for innovative transformation (Shaw, 2012). It is argued that economic resilience constitutes to one of the key components of a ‘resilient city’, with its potential to offer a shift of the planning paradigm. The idea of resilience, though developing as a conceptual framework rather than a theory at the moment, propels both the entrepreneurs and decision-makers to adapt to changes, learn from adversities and well prepare for both challenges and opportunities in the future.

This paper aims to address a key question in regional studies: how could city-regions overcome economic adversities and continuously to restructure their economy? Theoretically, it conducts a systematic theoretical discussion of resilience concept and proposes an analytical framework for regional economic resilience. Regional economic resilience is a multi dimensional issue depending on industrial performances, economic structure and government intervention at the regional level. It requires a multi-layer perspective to interpret a region’s ability to resist and recover from both acute crises and chronic stresses. Empirical investigation of the regional planning process and implementation from the Pearl River Delta (PRD) region of China are used to testify this framework. The study of regional economic resilience is believed to generate a new viewpoint to illuminate development pathway of the PRD region. More importantly, it helps to explore the strategic role of regional integration and to break the ‘lock-in’ of each city. In the analysis, the findings will strengthen the economic resilience of the whole PRD region.

**Teemu Makkonen, University of Surrey, UNITED KINGDOM**

**Tommi Inkinen, University of Helsinki, FINLAND**

**Maria Merisalo, University of Helsinki, FINLAND**

Patents are an incentive for research and development investments and among the core issues of science and public policy. Therefore, the literature on science and public policy has for long investigated the patenting behaviour of for example universities, which have in the past acted as hubs for innovation through the inventions discovered and patented by their employees. The same rules and regulations apply also to other public organizations including public research institutions and cities. In short, inventions discovered by an employee of a city can be patented and thus owned by the city. However, at least in Finland this is rare. Yet, the reasons behind this apparent lack of patenting by the cities are less clear. In fact, earlier literature on cities as patentees is almost non-existent. Still, the literature on public sector innovation and territorial innovation models maintains that city employees can play a significant role in the total innovativeness of given cities through



targeted policy interventions or more directly by actually introducing innovations. Evidently, the role of the cities in innovative activities does not show through official patent statistics. Therefore, here a more elaborate approach was chosen to investigate what role do the cities envision for themselves: are they merely containers of innovative firms; are they more concentrated on setting the stage for innovation by providing fruitful environments for firms and knowledge organizations to benefit from; or do they take a more active stance towards developing their own innovations? And further: could the lack of city-owned patents follows the evidence drawn from universities, i.e. the patents being filed by private companies, not the cities themselves; indicates the nature of innovations by cities as non-technological and, thus, non-patentable; or signals a general absence of innovative activity vis-à-vis city employees? For empirical purposes, here a decision to concentrate on the largest Finnish cities, namely Helsinki, Espoo and Vantaa, situated in the capital region i.e. Helsinki Metropolitan Area (HMA) was taken in the light of their evident success in Finnish benchmark studies on regional competitiveness and innovativeness. In fact, as the administrative and economic capital of Finland, HMA functions in many ways as a growth engine for the rest of the country. While pertaining to a case study approach the results, however, have wider relevance to other European regions with similar socio-economic characteristics and institutional arrangements, including other Scandinavian and northern European urban regions. The main research questions, to which clarification was sought via interview data and qualitative analysis, can be summarized as follows:

How do the cities define their role vis-à-vis innovation: are the cities containers for, facilitators of or active participants in regional innovative activities?

How do the cities view their employees' role vis-à-vis innovation: are they innovative; do they patent; are they encouraged to innovate; what are the main barriers for innovation?

*Identity, Citizenship and Lived Differences*

## **ENTREPRENEURIAL IDENTITIES: PLACE-MAKING AND PLACE-BASED DISCOURSE IN UK AND PORTUGAL OLD INDUSTRIAL REGIONS**

**Jorge Tiago Martins, The University of Sheffield, Information School, UNITED KINGDOM**

Over the last decades manufacturing in European regions has been exposed to intense global competition, particularly as a consequence of trade liberalisation. Regions with a high dependence on mass-manufacturing and old industrial regions in particular, have been profoundly affected by these changes, calling into question the viability of some sectors and demanding transformation of others. The adequate mapping of variations in regions' industrial rejuvenation trajectories is an essential component of understanding the regional outcomes of innovation. This is all the more relevant in the case of European old industrial regions, which are frequently plagued by poor innovation capabilities and the overspecialisation of the knowledge infrastructure.

Considering the intersection of place and entrepreneurial identity, this paper focuses on identity constructions and how they engage in place-making. More specifically the paper examines the discursive construction of entrepreneurial identity in selected UK and Portugal old industrial regions - South Yorkshire (UKE3) and the North Region of Portugal (PT11) – and the ways in which place operates as an organising discourse for industrial rejuvenation. Rejuvenation may assume different configurations and trajectories, i.e. the revitalisation of existent businesses; the development of new business activities in areas related to the existing industries; or new industries based in new technologies.

The two regions may initially come across as contrasting examples. However, both South Yorkshire (UKE3) and the North Region of Portugal (PT11) are former industrial centres that currently face the challenges of adaptation and economic restructuring. Furthermore, both regions are acknowledged as examples of social and economic resilience. Firms in UKE3 and PT11 were chosen as case studies, since the two areas are archetypical old industrial regions, with a historical focus respectively on the steel industry and on the textile and footwear industry.

The empirical findings are based on in-depth interviews with entrepreneurs in the two regions. Themes emerged from a grounded theory analysis of interview transcripts and observation notes, and indicate that participants in the study are actively involved in the shaping of the regions' occupational identities, and influence the development of distinctive institutional contexts. Concurrently entrepreneurs acknowledge the complex ways in which their identities are influenced by a variety of region-specific regulative, normative and cultural processes, historical experiences and dominant values.

*Special Session: Entrepreneurial Cities and Regions for Climate Policy and Governance?*

## **NEW POLICY PRACTICES FOR A CHALLENGE-LED, BROAD-BASED MODEL OF TRANSFORMATIVE INNOVATION. TRANSITION CITIES AND THE RECONFIGURING OF SITUATED SOCIOTECHNICAL NETWORKS**

**Cristian Matti, Utrecht University & Climate KIC, THE NETHERLANDS**  
**Fred Steward, University of Westminster & Climate KIC, UNITED KINGDOM**

This study provides analytical evidence on new practices to transform the policy agenda in European cities. We carry out a development of multi actor clusters to enable cities to articulate better their needs and challenges. For doing so, we run several rounds of networks analysis based in real projects data set through a co-creative collaboration between actors and researchers (transdisciplinary research). The maps of urban sociotechnical systems are confronted with stakeholder's views through participatory workshop where key actors provide feedback and help in the process of defining the socio-technical system. This exercise illustrates the application of participatory methods by combining science and practice in the search of a model to help cities with different settings and local available assets to move towards a more sustainable, low carbon future and also signal a clearer and more coordinated intent to the market for innovative products and services that will be required to achieve it.

The urban contexts are potential scenarios for decisions making process to address sustainability issues. Thus, in this paper we want to present implications of the European innovation policy turn toward societal challenges such as climate change by introducing new challenge-led approach that reframes the policy agenda compared to the traditional technology-driven model. It is more attuned to systemic rather than singular innovation, and offers a broader definition of innovation which highlights social, organisational, and business model novelty. However, there is a lack of capacity of different actors across domains to drive process of system analysis as well as problem structuring and envisioning. We argued that a more reflexive and inclusive approaches of management as learning approach can be applied to overcome that critical limitation in order to pursue local scale-level actions towards major pathways creation in emergent environmental sectors.

The transition arena is proposed as a main tool to provide a context of discussion, interaction and exchange where local change-agents can share diverse perspectives on the different urban challenges. It is argued that this offers a richer and realistic perspective for the radical pervasive changes needed for the transition to a low carbon society. Prospects for transformative innovation are addressed through a focus on the place based sociotechnical networks of mobility, buildings and energy. These are discussed in relation to the Climate-KIC Transition Cities project involving Frankfurt, Birmingham, Bologna/Modena, Valencia/Castellon, Budapest and Wroclaw.

Early results provide some insights of different clusters configurations in each city though specializations patterns as well as significant differences in term of the participation of different type of actors by type and level. The paper provides evidence about novel approaches to combine science and practice through the application of transition approach. With that respect, discussion on key concepts, methods and actions to co-create policy interventions with local stakeholders is introduced to facilitate the analysis of possible pathways for the design and implementation of innovation policies for economic and social transition in a wide range of urban settings.

## **LAND USE PLANNING AS DRIVING FORCE IN INDUSTRIAL SYMBIOSIS**

**Harri Mattila, Häme University of Applied Sciences, FINLAND**

Public stakeholders alone cannot create industrial symbiosis which would survive in the long run. What comes to basic facts in economy, business following the principles of circular economy does not differ from old fashioned end-of-the-pipe business. To be successful in the hard worldwide competition, products and services must be requested by customers, whoever they might be. And as important are costs of the products and services. Thus, the industry itself must create the future for themselves and their business. But, states, regions and municipalities can create possibilities and supportive surroundings for a successful industrial symbiosis and the circular economy in general. Land use planning is probably the most important tool in this.

The existing industrial symbiosis of Forssa Region is a good example of the extremely important role of the land use planning in the business development. The basis of this active symbiosis was laid in 1990's when the municipality reserved a big enough area for the future development needs around the solid waste disposal site. That was an important and very future oriented decision by the municipal council. Today, about 20 different kinds of companies have settled in the very same area. The synergy of the companies - all bound with recycling components and materials - has made it possible to survive and even grow.

After the strong development of this so called Envitech Area in Forssa, it has been possible to see the expansion of the industrial symbiosis as it is today. Farmers are producing grain and meat to markets and the other industry is benefitting by-products from the farms and other production. All the industry involved is not any more situated in the very same Envitech Area. Anyhow, the land use planning is playing an important role still today. Distances between the companies involved in the symbiosis cannot be too long. Otherwise the costs of the by-products become higher than the costs of virgin raw-materials and the companies will lose their competitiveness. It can be said that the land use planning is as important for the development of industrial symbiosis and for the circular economy in general as it has been for sustaining biodiversity, for recreational use of the environment and actually, for many other phenomena and activities as well.

This article is dealing with examples showing the importance of the land use planning for the regional economy. Also maximum distances (in Finland) to manage profitable business between some industrial activities are discussed. The land use planning is studied from other points of view than industrial symbiosis as well. For example, in many municipalities commercial areas are controlled by the mechanisms of the land use planning. Sometimes with success sometimes not.

An interesting phenomenon here is something one could call a rebound effect. After the industrial symbiosis was developed by the companies in Forssa Region, the municipalities could take the existing strategy of Bright Green Forssa Region in use.

*Entrepreneurship*

## **THE EUROPEAN MARKET FOR CORPORATE CONTROL**

**Killian McCarthy, University of Groningen, THE NETHERLANDS**

**Wilfred Dolfsma, University of Groningen, THE NETHERLANDS**

Europe has dramatically changed in the last two decades:

- The European Union (1957) expanded, in four phases (1995, 2004, 2007, and 2013) from 12 members in 1986 to 28 in 2013,
- the European Single market, created in 1986 to promote free-trade within the European Union, and the European Free Trade Association, grew from 12 members to 32 members,
- the Berlin Wall fell, in 1989, beginning the process of German reunification, and in 1991 the Soviet Union collapsed, creating 15 new countries in Eastern Union,

- the Euro was created in 1999 when eleven countries gave up their national currencies, and their rights to operate national monetary policies. The Eurozone expanded in 2001, 2007, 2008, 2009, 2011, and 2014, and today 18 countries, and 334 million people use the Euro.

These alterations to the shape and operation of the European market, creates a natural environment for experiments in the effects of policy and the functioning of markets. In this paper, we consider the way in which these alterations altered one particular market: the European market for corporate control.

The European market for mergers and acquisitions is not only a large market, but it is sensitive to policy and likely, therefore, to react strongly to change. We test this proposition using a sample of 263,570 mergers and acquisitions, announced and completed in the period 1985-2014.

Some of our findings are in line with our expectations. For example, we find that: the Fall of the Wall dramatically altered the number of deals done in the region: all else equal, our analysis suggests that there were 4,194 more deals done after 1991 than had been predicted before the fall of the wall. Unsurprisingly, most of these acquisitions were by Western European acquirers looking for Eastern targets, and rarely visa versa. We also find that the Eurozone has dramatically altered the number of deals done in the region. We find that joining the Eurozone leads increases the number of deals to and from the joining country, and that the expansion of the Eurozone has lead Eurozone acquirers to prefer Eurozone targets over non-Eurozone targets. In other words, we find that the Eurozone has led to more integration, which of course makes sense, as it reduces so many transaction costs.

Some of our other findings, however, were unexpected. We expected, for example, that joining the EU and the Single Market, would reduce the barriers to cross-border acquisitions, and increase the number of deals done. We report, however, that an intention to join the EU, and the Single market increases the number of deals, but actually joining the EU, and the Single Market, negatively impacts the number of cross-border acquisitions both into, and out of, the joining country. This surprising result may be due, we speculate, to a sort of cherry-picking effect: there may be greater arbitrage opportunities those outside of the EU / Single market, than for those inside the EU / Single Market.

Our thorough study of the European market for corporate control not only offers insights into the effect of the policy experiments in recent years, but to the consequence of policy on the geography of the firm. We also add to a limited on the dynamics of the European merger market.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

**TERRITORIAL IMPACT ASSESSMENT AND PUBLIC POLICIES IN THE EU AND THE MEMBER-STATES**

**Eduardo Medeiros, University of Lisbon, PORTUGAL**

It goes without saying that public financed policies should be subject to sound and continuous public scrutiny, namely on the value added of the associated investments. Such claim becomes even more evident when such investments are expected to produce not only immediate results, but mainly medium and long-term impacts, in one or more dimensions of territorial development. Indeed, in our view, the general and mainstream vision that policies should contribute to economic development, should be replaced by a more holistic approach, which takes into account several other dimensions of development. Under this view, the use of Territorial Impact Assessment (TIA) procedures presents a major advantage to assess projects/programmes/policies, which are expected to create potential impacts in several of the previously mentioned dimensions.

At the same time, the inclusion of the goal to achieve ‘territorial cohesion’, in the Lisbon Treaty, in 2010, alongside the long-standing goals of ‘economic cohesion’ and ‘social cohesion’, opened a new window of opportunity to place the territorialisation of policies in the political agenda, both in the EU institutions and in some Member-States. Moreover, the increasing levels of globalization and economic interconnections between territories present new challenges to the EU, national, regional, and local institutions, which have been augmenting the sophistication levels of territorial planning and development strategies. Consequently, the

assessment of Policies should make use of more complete, holistic and relevant evaluation techniques and tools, like the TIA procedures.

Indeed, TIA procedures are relatively recent evaluation tools within the vast spectrum of evaluation tools and techniques, used to evaluate the relevance, effectiveness, efficiency, and ultimately the impacts of Public Policies on the territorial development. They are recent because the economic dimension of policy evaluation was always omnipresent, not only because of data availability, but also because of the strong position of the economists in this particular scientific field of policy evaluation.

Notwithstanding, the recognition of the territorial dimension as a key element of policy intervention, within some EU mainstream strategic documents, as the ESPDP, opened the way to the elaboration of more complete and holistic Impact Assessment (IA) tools, at least at the theoretical arena. Indeed, it was only after the establishment of the first ESPON Programme, in 2002, that the first robust and tested TIA procedures were presented to the general public.

Yet, in our perspective, the existing ESPON TIA tools face several shortcomings as some do not yet include crucial analytic dimensions of territorial development, such as territorial governance, and territorial articulation. Yes, it is true that a shortage of statistical data related to such dimensions greatly constrains this approach. However, our own personal experience in using a more complete and relevant TIA tool (TARGET\_TIA), in assessing the territorial impacts of the EU Cohesion Policy in Iberian Peninsula, showed that it is possible to give this decisive step in transforming 'press-of-a-button yet irrelevant' ESPON TIA tools into more complete, useful and relevant ones.

*Climate Change, Sustainability and Mitigation*

## **URBAN FLOOD RESILIENCE, AN EVIDENCE-BASED LITERATURE REVIEW**

**Sander Meijerink, Radboud University, THE NETHERLANDS**

It is expected that in 2050 more than 70% of the world's population lives in delta areas. Because of the rapidly urbanizing delta areas, sea level rise, soil subsidence, and the impact of climate change on river discharges, flood risk management is and will become an ever more important topic for city planners. Resilience has become an important concept in the literature on flood risk management, and is defined in different ways. According to some, the construction of flood protection infrastructure, such as dams and dikes, may enhance resilience. Others argue that flood proofing urban areas and good evacuation strategies rather than 'hard infrastructure' may enhance a city's resilience. There are also different views on how flood resilience can be achieved best. Is this by government intervention, by market parties (such as the insurance industry), and/or or by self-organized civil society (flood risk communities). This paper aims to make an evidence-based literature review on the concept of urban flood resilience.

The main steps in the research process are:

1. The definition of guiding questions. Key questions guiding our literature review are: (1) how is flood resilience defined, (2) what are strategies to enhance flood resilience, (3) what do we know about the effectiveness of these strategies, and (4) what is the role of city planners, market parties and the civil society in realizing these strategies.

2. Developing and applying a search protocol. This concerns the selection of key-words, such as flood risk management, flooding, cities, and resilience, and the systematic use of (combinations of) these keywords to search the academic databases Web of Science, Scopus and Google Scholar. The first two databases were used to select peer reviewed articles, the latter to complement the list of papers with relevant book chapters on the topic. The abstracts of all articles and book chapter were read to check whether these really are relevant for either one or more of the key questions defined.

3. Analysis. We made a qualitative text analysis, and used a grounded theory approach. All papers selected are loaded into a database and with the use of ATLAS ti analysed with broad codes reflecting the four key

research questions: 'definitions of resilience', 'strategies to enhance resilience', 'effectiveness of resilience strategies', and 'roles of public and private parties'. During the coding process new codes were added, such as 'definitions of effectiveness', and 'factors influencing effectiveness'. After this 'open coding', which was used to order the text fragments, 'axial coding' was used to reveal specific patterns or mechanisms.

The paper reveals that there are different interpretations and definitions of flood resilience, and different, sometimes contradictory, views on how flood resilience should be realized.

### *Entrepreneurship*

## **LOCAL POLICIES AND NEW FIRMS' FORMATION**

**Tomasz Mickiewicz, Aston University, UNITED KINGDOM**

**Przemysław Zbierowski, Katowice University of Economics, POLAND**

New firms formation has multiple positive effects on local development. It may create employment opportunities for those who would otherwise stay outside the labour force or unemployed. It may channel innovation and generate competitive pressure on existing companies, creating positive spillover effects on local productivity and therefore implicitly on income levels. There is also an increasing understanding that sustainable local development needs to be based on diversity. Hence anchoring it in one or in few major employers comes with risks, especially in a period of slowdown or recession. In contrast, strong local entrepreneurship creates diversified and robust economic foundations which are less prone to various external and macroeconomic shocks.

This motivated us to collect a survey data on a wide variety of possible instruments and policies that local government can apply to support entrepreneurs and private businesses in general. The survey of municipalities was implemented in 2015, across Poland, utilising a random sample of municipalities, producing 731 usable questionnaires. It was funded by the Polish National Science Centre (grant DEC-2013/11/B/HS4/01022).

Poland is an interesting choice for this research for several reasons. First, the country is relatively decentralized compared to its Central European neighbours, therefore the municipalities may play a more important role in shaping local policies. Second, local entrepreneurship was a significant factor behind the country strong performance, both in its long term transition away from the Soviet-type command economy, and during the more recent global crisis. Third, despite that, local disparities persist, which makes questions on the role of local economic strategies relevant.

Our key findings suggest that some local policies work better than the others. Active local governments perform better in terms of entrepreneurship than passive ones. In particular, a variety of measures aiming to create an investment-friendly environment matter. These include marketing and good communication channels with potential investors, availability of locations for investment, individualized assistance with bureaucracy and registration, and broader advisory services. Fiscal regimes that are business friendly matter, including preferential business tax rates. Interestingly, we do not find special economic zones supporting local entrepreneurship, if anything, there is a weak negative correlation with local entry rates. It is possible that preferences given to typically larger outside investors are to some extent crowding out local entrepreneurship, possibly by labour market effects, bidding up wages to the level that local firms cannot afford.

At the same time we see strong positive effects of local social capital. A thriving environment that consists of a variety of active NGO is strongly associated with entrepreneurship, which suggests valuable social capital, appropriable for business activities. Likewise, all forms of direct business-related social capital matter: various types of local employers' organizations correlate positively with the local entry rate.

Our findings have clear implications suggesting the policy priorities for local entrepreneurship-enhancing strategies.

**REGARDING A REVITALIZATION OF ITALIAN ANCIENT RURAL VILLAGES. THE PROSPECT OF  
“ALBERGO DIFFUSO”**

**Stefania Montebelli, Università Guglielmo Marconi, ITALY**

Since the war the Italian settlement system has transformed quickly, changing in the structures and values which have characterized its various territorial forms during its secular past. The political process of national unification initiated this territorial change, which then experienced a strong acceleration in the mid-twentieth century during the “economic miracle”. In Italy, at the end of the nineteenth century, the existing and ancient territorial land plots began to break apart, through the launch of a national market and public works projects which gradually changed the country with respect to the new industrial teleology. The transformation that followed did not lead Italy to economic and cultural homogenization, nor to the construction of a national space, which was new and functional, but instead tore apart Italy’s traditional urban network, which had been the stabilizing element of the country. The political choices made during that historical period of transition led to serious territorial imbalances whose repercussions struck, above all, at the local level that has always, in Italy, been a heritage of inestimable richness and originality.

The damage to the Italian urban fabric that ensued was due, in part, to the difficulty of connecting the new and pre-existing forms of territory, and between the latter and its new role, which should have been consistent with a renewed sense of cultural identity. Instead, an empty identity formed as a result of the disconnect between the semiosis produced at multiple levels through industrialization and the traditional system of values characterizing the farming culture. The formation of this identity was contemporary to the territorial vacuum caused by the failure to create a connection between town and country, or from the rural point of view the formation of an intimate relationship. The rupture of the urban fabric of rural Italy was characterized by the disconnection of the relationship between town and country and the breach of the traditional code of values, which served to determine the appropriate use of the territory together with its “geosemosi.” These changes pushed small territorial units to a marginalization, which was both spatial and cultural. These areas have been the victims of a drastic depopulation that has determined the both the current state of neglect and the aging population. Connect these small territorial units to their history , and then protect the evolutionary story narrated by the tangible and intangible heritage of their landscape, should constitute the primary objective on which to build future development teleologies.

The “Albergo Diffuso” is important to revitalize tourism for the historic villages of our country and, like Sextantio in Santo Stefano di Sessanio, Abruzzo, is a proposal for enhancing the landscape and the typical local cultures and, therefore, a useful tool in the continuing memory of the landscape. “Albergo Diffuso” is a territorial connector between past and present. It can contribute not only to the persistence of the local community that, living in the territory, recognizes itself in it, but also to the revitalization of the milieu and connectivity within the local network and supra-local.

**FUTURE CHALLENGES FOR RURAL REGIONS: THE NEED FOR SMART SPECIALIZATION STRATEGIES**

**Johannes Mossboeck, Karl-Franzens-University Graz, AUSTRIA**

**Michael Steiner, Karl-Franzens-University Graz, AUSTRIA**

**Carla Apschner, Karl-Franzens-University Graz, AUSTRIA**

The focus of this paper lies on exploring the potential of the “smart” development concept for rural areas and to show how rural areas might already show first signs of a “smart” development on the basis of a case study approach. After elaborating the concept of “smart” development for rural areas, two Austrian rural case study regions – one with a manufacturing tradition, the other concentrating on food production and handcraft – are analyzed on the basis of two methodological approaches: regional secondary meso-data and a field survey with selected firms located in these areas. The paper will concentrate on the results of a series of in-depth-interviews with firms located in the two Austrian case study regions and explore their potential for a “smart” development. Special emphasis will be laid on their co-operation profile within and beyond the border of their respective

region, their R&D and innovation effort, as well as their competitiveness characteristics. Rural regions differ in manifold characteristics, such as the composition of industries, innovation skills, labor force, and knowledge-oriented links. A “smart” development in rural areas accounts for these differences and tailors policy advice to a region’s special needs to fully exhaust its potential.

*Local and Regional Economic Development and Planning*

## **THE CONCENTRATION OF TOURISM SERVICES AS A BASIS FOR DETERMINING HUBS OF TOURIST REGIONS. A FUNCTIONAL APPROACH TO REGIONALIZATION**

**Ventura Enrique Mota Flores, Universidad del Caribe, MEXICO**

**Ana Pricila Sosa Ferreira, Universidad del Caribe, MEXICO**

This paper presents some of the results of the regionalization of Mexico Tourism Project, which was funded in 2015 by the Sector Fund for Research, Development and Technological Innovation in Tourism (SECTUR-CONACYT). The regionalization model used, is understood as the demarcation process to determine tourist regions, using indicators and varied and complementary criteria. The resulting nodal regionalization combined five aspects: 1) the financial service sector, including producer services and consumer and population size of the different municipalities; 2) Governance and Governance of territories including aspects such as social cohesion of the receiving region, social inclusion and governance; 3) support infrastructure, air, land and sea; 4) natural and cultural resources of the region and regional identity; 5) innovation and competitiveness. This led to resultado 9 regions within the Mexican territory. In that sense, this paper aims to demonstrate the weight that tourist services in tourist regions in Mexico. For which initially 337 municipalities that meet the condition of having a population of over 65,000 inhabitants as first assumption of an economy that tends to terciarización studied. The highest concentration of municipalities under this criterion is in the central region and the lowest concentration in the Southeast. The methodology used is functional model of regionalization. 2009 and its projection for 2014 Census Gross Value Added (VACB) and Total Gross Production of each municipality - for the calculation of the economic concentration data collected Tourist project Regionalization of Mexico based on 1999 economic census were used. The approach will be applied in each of the nine nodes designed to measure the impact of VACB Total Gross Production and services in certain factors. The regionalization model is made on the nodal VACB and total gross production and the total of the states involved. The study concludes with the index of economic especialización IEE that occurs in each of the nine tourist regions of Mexico.

*Leadership and Governance*

## **BEYOND THE CAPITAL: INNOVATIVE GOVERNANCE AND GROWTH IN UKRAINIAN CITIES**

**Olga Mrinska, Olga Mrinska Consultants, UNITED KINGDOM**

When faced with the dramatic crisis of the national economy and disrupted actions of state institutions regional and local leaders have two options to act: (1) to go with the flow and react to the augmented and multiplied challenges while political cycle conditions permit; or (2) to reinvent the strategy and leadership style through bold decisions and administrative innovations. Ukraine is the country that provides an excellent environment for challenged regional and local leadership. Dramatic economic decline; fiscal constraints; political crisis that led to the change of country’s strategic political course; territorial disintegration; and persisting security threats – these are the elements of everyday reality faced by Ukrainian mayors and leaders of local councils. Combined with the difficulties of the electoral cycle and demanding population whose geopolitical and economic priorities have changed dramatically over the last 2 years, local and regional leaders have only one way to succeed - “to innovate out of crisis”.

Capital city of Kyiv have traditionally been economic, political and societal leader offering innovative solutions in many areas of socio-economic life. However years of populist leadership, exhaustion of economic potential by powerful economic groups with vested interests and centralised control over resources have left the city in a dire state. Without the primacy of Kyiv leadership, other large cities of Ukraine are experiencing dramatic



changes in the governance and leadership patterns. They mobilise large groups of city community for planning and implementing initiatives that lead to growing productivity and competitiveness of local economy and enhanced wellbeing of city population.

With the loss of industrial strongholds of Eastern Ukraine (Donetsk and Lugansk) and reduction of significance of other industrial centres of Eastern and Central Ukraine, services-dominated cities of Ukraine are developing the most dynamically. The portrait of the active citizen in these cities is very similar to the portrait of the street protester during the Revolution of Dignity in 2013-2014: higher education, entrepreneur, volunteer, environmentally cautious, inclusive, innovative, striving for sustainable development and good quality of life for their family. When critical mass of such active citizens is mobilised via various urban networks and initiatives the demand for new quality of local leadership and governance is growing exponentially, thus encouraging local leaders to be bolder in their promises, plans and concrete actions.

This paper looks into emerging trends in the development of new type of regional and local leadership in Ukrainian large cities beyond the capital city of Kyiv. Lviv, Odessa, Ivano-Frankivsk, Vinnytsia, Poltava, Mykolayiv and other cities with the population above 250,000 are discovering new paths of mobilising financial resources and energy of local residents, delivering innovative public services, raising competitiveness of local companies and reducing waste of energy and resources. Through harnessing inter-city networks, and attracting business and third sector leaders municipal self-governments are creating infrastructure for leapfrogging the stages of economic development – the strategy which is essential for Ukraine and its territories to reach trajectory of dynamic and sustained economic growth.

#### *Cohesion, Competition and Smart Cities*

### **TO WHAT EXTENT ARE CROSS-BORDER REGIONS SPACES FOR THE INTEGRAL DEVELOPMENT OF THEIR 'SOULS'? EU AND ASEAN CROSS-BORDER REGIONALISM REVISED THROUGH A COMPARATIVE READING OF A. SEN AND J. RATZINGER ETHICAL APPROACH TO ECONOMIC ACTIVITIES**

**Elisabetta Nadalutti, University Duisburg-Essen, GERMANY**

Both the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) put border management at the core of their policies in order to ensure states' stability and wealth, the well-being of people, and to guarantee safe and sustainable environmental spaces. The EU as well as ASEAN commonly try to boost cohesion, promote connectivity, and enhance economic interdependencies by supporting cooperation at the sub-regional level in sub-national border regions (cross-border regions for the EU and growth triangles for ASEAN).

So far academic and policy discussions on border regions and strategies to increase cooperation, integration and sustainable development in the EU, and ASEAN have engaged mainly with economic strategies to tackle environmental risks and damage, and to endorse a society where the level of inequalities is reduced. Conversely, these studies have side-lined ethics in border (economic and political) cohesion analysis and focused on border issues mainly in materialist terms by considering border regions merely as economic and social spaces.

This paper, by focusing on the Iskandar region (ASEAN) and the Upper Adriatic region (EU), strongly suggest that the ethical dimension of border cooperation activities needs to be scrutinized on the ground that border spaces are neither ethically neutral, nor inherently inhuman and opposed to society since they are part and parcel of human activities and precisely because they are 'human', they must be structured and governed in an ethical manner. In dealing with these issues, this paper aims to answer the following main question: can we singled out an 'ethical code' of values from cross-border cooperation official documents and activities that underpins a new form of governance that aims at an integral human development and which demands a responsible behaviour over people and nature? It will be argued that both the EU and ASEAN cross-border cooperation activities – either viewed through the lens of political-economy or multi-level governance – tend consistently to downplay the non-instrumentalizing, extra-institutional, and affective dimensions of human behavior that might instead provide alternative foundations for nurturing social solidarities across borders at time of heightened border re-enforcement, national retrenchment as well as state-centric isolationism and protectionism. Within the

theoretical approach of New Regionalism, a theoretical framework will be built by synergically re-elaborating A. Sen's conceptualization of ethics linked to economics and sustainable development, and Pope Benedict XVI's 'Caritas in Veritate' encyclical that focuses on economic and business ethics.

While this theoretical framework has been chosen since it will help to re-frame border activities as instruments for developing authentically human social relationships of solidarity, trust and reciprocity and to theorize borderlands as spaces for 'souls' rather than lucrative fields of 'selling a region' in globalized circuits of investment and consumption, the comparative research design will better clarify the dynamics behind 'cross-border cooperation activities', and their 'governance' both in EU and ASEAN cross-border zones.

*Special Session: Challenges of Regional Development and EU Integration in South East Europe*

### **CULTURAL HERITAGE AND CULTURAL VALUES AS A DEVELOPMENT FACTOR IN SOUTHEASTERN EUROPE: A PARTICIPATORY RESEARCH**

**Janez Nared, ZRC SAZU, SLOVENIA**

**David Bole, ZRC SAZU, SLOVENIA**

The objective of the presentation is to highlight cultural heritage and cultural values as drivers of development in Southeastern Europe. By using participatory research methodology we analyzed the experts' views on the selected topics like Heritage and sustainable development; The economic potential of heritage beyond tourism; Responsible tourism: managing culture and heritage in rural areas for the locals and by the locals; European, national and regional development policies for developing local initiatives and small-scale cultural tourism projects; and Cultural tourists in rural areas: motivating, marketing and branding. Our results showed cultural values and heritage are characteristic and unique and could provide a distinctive value added for a regional development as well they could act as branding tool, factor of motivation, community empowerment, and strong element of local identity. Although protection is an important issue in cultural heritage, this should be complemented by education, identification, tourism, and development, especially by fostering economic potentials reflected in increased tourism flows and resulting multiplier effects. Due to the rootedness of cultural heritage and values in a local context, local communities must be closely involved in management structures and their views and requirements must be closely considered and respected. Richness and variety of cultural heritage in Southeastern Europe could thus become a trigger for a better recognition of the region on the world tourist map as well as important factor to be adequately included in all development plans.

*Austerity (Risk and Resilience)*

### **THE EFFECT OF HUMAN CAPITAL MOBILITY AND KNOWLEDGE BASED STRATEGIES ON SMALL AND MEDIUM SIZE CITIES**

**Amjad Naveed, University of Southern Denmark, DENMARK**

The role of human capital mobility and knowledge-based strategies in large metropolitan regions has been studied extensively. In spite of the central role of the small and medium-sized cities (SMSC's) in theories, very little attention has been given to the effect of labor inflow and knowledge based strategies on employment growth of the locals in SMSC's. Therefore the aim of current study is in two folds: 1) it will discuss the role of knowledge based strategies in the development process of SMSC's and 2) it will investigate whether the different types of labor inflow (in-migrants and in-commuters) have substitution effect (crowded-out) or complementary (crowd-in) effect on employment growth of the locals in SMSC's. For the empirical analysis, the study will employ micro data from 2006 to 2011 for Danish municipalities.

**THE ROLE OF AGENCY IN REGIONAL PATH DEVELOPMENT**

**Roger Normann, Agderforskning, NORWAY**

**Mikalea Vasström, Agderforskning, NORWAY**

**Hans Chr Garmann Johnsen, Agderforskning, NORWAY**

The aim of this paper is to explore the interplay between agency and structural change in regional policy formation. A goal of regional innovation policies is to stimulate regional path development – extension, renewal and creation. Given limitations of regional contexts and institutional capabilities, regional and national policy makers can only to a limited degree influence path development processes. At a minimum planned regional path development requires sustained efforts and strategic collaboration between agency across institutional spheres and administrative borders. Our object here is to explore concepts and theories that can help us to develop new understandings of processes that relates to how regions adapt to change and enable new development trajectories. In this paper, we suggest a field theoretical framework to explore the dynamics between micro- and macro-level processes. Regional changes is here interpreted through a field theoretical framework that emphasises how local agency can initiate regional change processes (path development) when what we here understand as proximate fields converges. Based on this we ask in the paper what can be the role of local agency in regional path development?

There is an ongoing debate in the regional development and innovation literature relating to how to conceptualise and understand the role of agency. In recent literature, this has been conceptualised as regional leadership and institutional entrepreneurship (Audretsch, 2015; Beer, 2014; Beer & Clower, 2014; Sotarauta, 2014; Sotarauta, Horlings, & Liddle, 2012). Within economic geography and within research on regional innovation systems there is an ongoing search for understandings relating to how path development in different types of regional context can happen. Boschma (2015) has for instance argued that “a key task [in economic geography] is to identify the main determinants of a region’s ability to develop new growth paths”, and Martin (2012) has stated that “the long-term adaptive capacity of regions is still “largely unresearched””. This paper aims to contribute to both these discourses through analysis of path development in a peripheral region. This include exploring how the region adapted to change and enabled a new development trajectory. In this paper, we discuss, based on interviews with key actors, processes and events that enabled different types of agency to facilitate regional path renewal of the mechatronics industry in the Agder region.

**NEGOTIATING GREEN ARCTIC WIND. CHALLENGES TO NEW PATH DEVELOPMENT**

**Vigdis Nygaard, Northern Research Institute - NORUT, NORWAY**

**Trond Nilsen, Northern Research Institute - NORUT, NORWAY**

In this paper, we will discuss the conditions for new regional path development within the renewable energy sector. The emergence of new wind production in a peripheral region in Finnmark, Northern Norway, has been heavily debated over several years. As the region has favourable conditions of steady wind resources throughout the whole year, huge areas without much infrastructure, a benefitting topography and the notion of clean and green environment, the conditions for new wind production in the area are promising. The enhanced debate on climate change and the need for renewable energy sources add to such a potential of a new regional path. However, the counter-initiatives mobilizing to preserve nature and indigenous people rights have strong momentum. Recent years, several new wind projects have been rejected by the national government. In order to understand this complex relationship, we identify three hegemonic discourses within this field, framing the overall concerns of new wind and renewable production. The three discourses are (1) International and National pro-industry and renewable energy (2) the indigenous Saami discourse on land preservation, and (3) regional entrepreneurial pro-wind discourse on self-sufficiency and energy export through new grid transmission. We seek to enhance the understanding of the interplay between these discourses, its connection to regional policies in order to understand what promote and restrain the formation of new regional path development in Finnmark.

**COMPETITIVE DESIRES: THE CREATIVE CLASS AND REGIONAL GOVERNANCE IN SWEDEN**

**Andreas Öjehag-Pettersson, Karlstad University, SWEDEN**

**Line Säll, Karlstad University, SWEDEN**

Throughout Europe and beyond the powerful discourse of the creative class seems to be firmly nested in the governance of cities and regions as well as entire nations. Indeed, googling terms such as “creative city” or “creative region” yields millions of hits indicating the spread of the theories put forward by Richard Florida in a series of influential books and articles during the first decade of the twenty first century. Moreover, the discursive notion of creativity is not only disseminated widely around the globe, it is also introduced in a variety of different spaces making it just as likely to find metropolis regions such as London, Paris or Berlin to claim the title of being a “creative region” as it is finding peripheral territories and provincial towns articulating their creative, innovative and entrepreneurial spirit.

In this paper we investigate empirically how the creative class discourse is expressed in the governance of Swedish regions by focusing on so called Regional Development Strategies (RDS) for all Swedish regions. Territorial governance in Sweden has been the object of ongoing debates, political proposals, government reports and expert opinions since at least the 1960’s, however the last two decades have been marked by more intensive discussions and indeed also a series of territorial transformations.

In the midst of these reconfigurations new political spaces arise and new political rationalities emerge. In short, what used to be a guiding rationality of redistribution between rich and poor regions can now better be described as a rationality of (global) competition. Correspondingly, notions of (global) competitiveness are articulated as more or less the inevitable goal for the practice of governing Swedish regions and we show how one of the primary responses to such a competition is the quest for creativity. By critically examining the RDS documents we show how in this process of territorial transformation in Sweden certain subjects and practices are deemed more important than others. Thus, we underline the political aspects of the ongoing transformations and the empirical analysis facilitates the grounds for a critical discussions concerning the ontological claims, the theoretical claims and the policy recommendations of the creative class theory that we find inherently linked to processes of exclusion and hierarchy.

**FROM PLANS TO LAND CHANGE IN URBAN REGIONS: A REGIONAL GOVERNANCE APPROACH TO THE STRATEGIC SPATIAL PLANS OF BARCELONA, HANNOVER AND STOCKHOLM**

**Eduardo Oliveira, Swiss Federal Institute for Forest, Snow and Landscape Research, SWITZERLAND**

**Sofia Pagliarin, Swiss Federal Research Institute WSL, SWITZERLAND**

**Simona R. Gradinaru, Swiss Federal Research Institute WSL, SWITZERLAND**

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In contemporary debates, the concept of governance is employed as a framework to describe the changing interplay among the state, market actors and civil society. Governance is analytically used to frame, on the one hand, the decision-making dynamics, discursive debates, negotiations and conflicts among the numerous actors involved in policy making, and, on the other hand, the institutional context and regulatory systems where policies are inscribed. More specifically, regional governance can capture how actors and groups interact to build networks and achieve collective goals in multi-scalar (e.g. supra-national, national, macro-regional, regional, urban region), multi-functional (e.g. economic, social, cultural) and often multi-actor (e.g. public, private, non-profit) environments. Following this approach, strategic spatial planning can be considered a complex governance process through which shared visions and concerted actions for the future development of urban regions are defined among a variety of actors – public, private and civil society. In the context of the dynamic processes of land change occurring in urban regions, and by drawing from the preliminary phase of the CONCUR project “From plans to land change: how strategic spatial planning contributes to the development of urban regions”, funded by the Swiss National Science Foundation, this study aims at establishing a comprehensive

theoretical and methodological framework to systematically compare different experiences of strategic spatial plans in Western urban regions, accounting for both spatial (“hard”) and governance (“soft”) factors. The theoretical exploration of this study is conducted by analysing the strategic plans of Barcelona (1991; 2010), Hannover (2005) and Stockholm (2007; 2010). The criteria behind the selection of these three urban regions are: (i) the availability of both academic and technical literature, which allows us to draw important lessons from the governance arrangements that have taken place in the three case studies, and also to reconstruct individual plan making and implementation processes; (ii) the selected cases represent diverse political, geographical and cultural settings as well as dissimilar approaches towards strategic spatial planning. The purpose of this paper is threefold. First, we propose a preliminary categorization of the information included in strategic spatial plans, based on a systematic analysis of the type of information they contain. Secondly, in order to assess the effectiveness of each of the three trajectories towards strategic spatial planning, the key components of regional governance will be identified and critically analysed. Thirdly, the supra-regional characteristics composing the particular context where the strategic spatial plans took shape will be identified and comparatively examined. The combined analysis of the selected plans from these three different, but intertwining approaches, will account for the multi-scalar, multi-functional and multi-actor complexities leading to the making, approval and execution of the selected strategic (urban regional) plans. The research findings are expected to contribute to the understanding of the connections between regional governance and strategic spatial planning, and how they impact on land change in urban regions.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **BORDER REGION AS A MEASURE OF SUCCESS AND GROWTH**

**Eva Olsson, Karlstad University, SWEDEN**

**Lotta Braunerhielm, Karlstad University, SWEDEN**

The southern part of the border region of Sweden and Norway, Inner Scandinavia, is characterized by a state of permanent mobility. The region contains of a large region for the labor market at the same time as it is a region of low level of education. The region is looked upon as an engine for mobility because of large streams of trade and commuting. The stability in the economy has changed lately why the future situation is unsure. There has been a careful decline in the norwegian economy which might effect the swedish boarder region. The strong boom I Norway and the week swedish crown has created possibilities for example boardershopping and an increased region of labor market. This can suddenly be erased.

Right now the Swedes travel to Norway to work (commute) while Norwegians travel to Sweden for shopping (border shopping). This is a result of Norway's quite recent oil findings that have made the country one of the world's richest, but at the same time led to more work opportunities than hands available. Since the Norwegian crown was worth more than the Swedish, wages in Norway has been higher than in Sweden, but it has been cheaper to shop for groceries, alcohol, cigarettes etc. in Sweden. There is also political interest of the Swedish proximity to Norway. In Värmland, the regional policy has expressed goals as to work for good relations between the countries, especially for developing business needs and facilitate both imports and exports of goods and services between Sweden and Norway.

In our study we focus the border between Sweden and Norway from a very special perspective. We examine the implications of Swedens proximity to Norway from a regional perspective, and are interested in how the inhabitants of the county of Värmland look upon the proximity to Norway. The proximity to Norway acquired a special meaning for those who live near the border on the Swedish side - they can work in Norway and live in Sweden. Border trade has also got a proper rise, partly due to economic circumstances, and partly a result of large investments made in particular cross-border trade. We want to, in other words, find out what impact this can be said to have for a specific region on the Swedish side. In relation to this, we will analyze how citizens in the County of Värmland perceive their living environment, community services, and how well they thrive where they live. We will investigate how satisfied citizens are with the life, and relate those results to a rural versus urban perspective. In this study, we will make comparisons between the citizens of Värmland and the citizens of de border-part of Värmland, the western Värmland, ie residents in the border municipalities Årjäng, Torsby, Eda and Arvika. The purpose of this is to compare the different civic groups, those living in the border region versus

those living in other municipalities in Värmland. The question is whether, and if so how, Norway has significance for Värmländers?

*Special Session: Critical Studies of Urban and Regional Development*

## **LOST IN TRANSLATION? HOW CLIMATE CHANGE ADAPTATION COMES TO MATTER IN PHYSICAL PLANNING**

**David Olsson, Karlstad University, SWEDEN**

The claim made in this paper is that its critical ANT approach offers a way to study the integration of climate change adaptation (CCA) in public organizations that is more perceptive to both non-human elements and to marginalized concerns, as compared to previous research on CCA. More specifically, the approach illuminates two key aspects currently neglected in the literature on CCA, namely: (i) the challenges of translation posed by both human and non-human actants, and (ii) the care (or not) for marginalized concerns in CCA performativity, viewed from a 'matters of care' perspective.

A preliminary empirical study on the integration of CCA in physical planning in four Swedish municipalities will be used to illustrate the importance of these two factors. The selected municipalities exemplify different regional spaces, primarily regarding population density and population size. The rationale behind this case selection strategy is to capture a diversity of translation strategies and challenges facing the municipalities' when attempting integrate CCA in their organization.

But why is the study focusing on Swedish municipalities? There are two primary reasons for this. First, this is a field marked by uncertainties as to how CCA should be translated into the municipal organization. That is, on the one hand, municipalities' are supposed to carry out the bulk of CCA, in particular in physical planning. On the other hand, the integration of CCA is marked by several uncertainties due to e.g. unclear distribution of responsibilities, ambiguous legislation, and uncertainties regarding the support from the national government. In other words, CCA is supposed to be integrated in the municipal organizations but the process of translation is uncertain and not yet stabilized in many of them. Their integration of CCA thus provides opportunity to study the formation of a new field of translation and the challenges facing this process. Second, in some policy documents and Swedish public investigations, there are expectations that CCA will contribute to rearranging social-ecological relations in a more sustainable fashion. At the same time there is research on CCA arguing that it is primarily focusing on technical fixes, not measures to manage the root causes of the climate issue, such as social and behavioral factors, institutional factors etcetera. This tension makes it interesting to examine from the perspective of 'matters of care'.

*Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

## **QUALITY OF LIFE IN REGENERATION AREAS: EMPIRICAL FINDINGS FROM AKPINAR NEIGHBORHOOD, ANKARA, TURKEY**

**Ezgi Orhan Nalbantoglu, Cankaya University, TURKEY**  
**Z.Ezgi Haliloglu Kahraman, Cankaya University, TURKEY**

This paper discusses the concept of quality of life in a regeneration area according to the personal evaluations of the residents. Developed by social scientists to evaluate people well-being, satisfaction and happiness (Fadda and Jiron, 1999), the concept of quality of life refers to the adjustment of conditions of the living environment to the needs, expectations and capacities of people. The issue of quality of life is central to urban planning as it aims to promote the general welfare, public well-being, and the public interest (Myers, 1988).

Previous studies put forward that everyone's quality of life is different. However, the quality of life, as Fadda and Jiron (1999; 262) write, "represents more than the private living standards". The evaluation of personal

quality of life does not necessarily reflect the community quality of life. That is, individuals' opinion about the community quality of life is different from their opinion of their personal well-being (Myers, 1988).

This paper aims to establish an integrated and comprehensive framework in evaluating the quality of life in a regeneration case from Turkey through an empirical research conducted at neighbourhood level. In doing so, data were gathered from 200 households in Akpınar neighbourhood through the application of questionnaires to inquire their quality of life after the regeneration implications. Methodological framework of this study presents a theory-based choice of indicators which are obtained from a deliberate literature review including economic, ecologic, physical and social aspects of the urban environment and the analysis of the indicators by quality of life. Despite the diverse literature on urban environmental quality, there is not a uniform and generally accepted conceptual framework "to measure and properly evaluate aspects of, and trends in, environmental quality" (van Kamp, et al, 2003; 6). Therefore, this paper adopts a mixture of qualitative and quantitative analysis methods to assess the quality of life of households with respect to their housing and urban environment that they live in.

According to the socio-economic development index of provincial and municipal ranking in Turkey, Ankara, the capital city of Turkey, holds the 1st ranking among the 81 provinces (State Planning Organization, 1996, 2003). Being the municipal centre of Ankara and housing the Akpınar neighborhood, Cankaya also accepted as 1st degree developed centre. From the official figures, one can deduce that the households living at this municipality benefit from a good quality of urban life, particularly after the regeneration process. Yet, socio-economic development indicators do not necessarily reflect the households' quality of life. Since social and economic records themselves are not sufficient in this regard, this paper attempts to make a diagnosis of the conditions as well as the evaluation of the quality of life.

Findings suggest that the quality of modern living requires understanding the social, political, and spatial conditions and needs of residents. With regards to the findings of the study, policy recommendations are developed to enhance quality of life from a space-sensitive perspective at neighbourhood level.

*Health and Wellbeing/Health Economics*

## **SOCIO-ECONOMIC DETERMINANTS OF EFFICIENCY IN REDUCING CHILD MORTALITY IN DEVELOPING COUNTRIES**

**Bienvenido Ortega, Universidad de Málaga, SPAIN**

**Jesús Sanjuán, Universidad de Málaga. Andalucía TECH., SPAIN**

**Antonio Casquero, Universidad de Málaga. Andalucía TECH., SPAIN**

Efficiency issues in health investments have received increasing attention, mainly as a result of the growing amount of resources invested in developing countries and their mixed impacts on outcomes. The empirical literature has suggested that, although government spending on health care improves the health status of the population, society can potentially gain more through the more efficient assignment of health resources. For example, the existence of sub-national imbalances in the distribution of resources in some developing countries may produce shortages in rural areas while urban centres are overstaffed, thereby leading to wide spatial inequalities in health and poor performance at the national level. Besides this, research findings indicated that:

- Mortality tends to decrease faster in countries with a more equalitarian income distribution.
- Institutional inefficiencies or weak institutional capacity are two of the main reasons for public spending having a low or negligible impact on development outcomes.

Given the foregoing, this paper aims to: firstly, to analyse whether developing countries can further reduce child mortality by using the available resources more parsimoniously; and secondly, to identify the (non-discretionary) socio-economic factors that could be affecting this process. More specifically, this paper aims to explain why some countries are more efficient than others in converting inputs (physician density and relative total health expenditure) into a health outcome: the under-five mortality rate (U5MR). This indicator was selected as a health outcome measure because it is a UN key indicator for monitoring progress towards MDG 4.

With these aims, a two-step Data Envelopment Analysis (DEA)-Tobit analysis was used in the empirical analysis. The logic underlying this methodological approach was to identify the factors that could have an impact on improving efficiency. To do this, the influence of non-discretionary factors have to be distinguished from that of the inputs and outputs themselves. Firstly, DEA was used to benchmark countries in terms of their relative efficiency in using multiple inputs in the production of both the selected output and outcome. After calculating the countries' technical efficiency scores, a Tobit analysis was employed to estimate the cross-sectional causal effects of a set of factors on the technical efficiency scores calculated for the health outcome (U5MR). The database used in the estimations comprised 47 developing countries with data for the periods 2000-2004, 2005-2009, and 2010-2012. The findings suggest that greater efficiency in the provision of immunization, better quality government, and lower income inequality are directly related to efficiency in the use of inputs to reduce the U5MR. Thus, the main challenge in many developing countries may be to efficiently use public resources to expand infant immunization coverage rather than to raise overall public health spending. However, reductions in the U5MR cannot be guaranteed unless the quality of governance is improved and the distribution of income is made more equal.

*Urban and Regional Theory, Methodology and Data*

## **HOW TO MEASURE CONCENTRATION AND INEQUALITY IN CHINA PROPERLY**

**Nicole Palan, Karl-Franzens-University Graz, AUSTRIA**

Until recently, China aimed at generating high economic growth rates without paying much attention to the regional and provincial agglomeration effects that accompanied the fast economic development within the country. As both spatial inequality and income inequality are on the rise and internal migration being the most extensive in the world according to the ILO is contributing to the differences between rural and urban areas as well as between the Eastern and Western provinces, economic policy puts more and more attention to mitigating agglomeration and the consequences thereof. Economic policy measures have thus been undertaken in order to deal with the disequilibrium in economic growth beginning with the Seventh 5-year Plan (1986-1990). All regional development plans targeted on accelerating economic growth in less developed provinces and making it more easily for all provinces to participate in international production and innovation networks (McKelvey and Bagchi-Sen, 2015)

While there is wide agreement on the importance of the topic at hand, the proper measurement of concentration and inequality is given limited attention by both researchers and policy makers. As Bickenbach and Bode (2008) criticize, the choice of the index in empirical studies is often an "ad-hoc decision" without paying attention to the (dis-)advantages of the different indices and without making a proper distinction between concentration and inequality measures. In order to evaluate the effectiveness of policies to reduce regional disparities, however, it is important to understand the mechanism of the various types of indices that are used to explore both concentration and inequality. Surprisingly, whereas both in the US and the EU, many studies make use of the famous Krugman-Index (Krugman, 1991; Midelfart-Knarvik et al. 2003; Palan and Schmiedeberg, 2010) and the Gini-Index of Inequality (Brühlhart et al. 2005 and 2008), Chinese researchers tend to use the Theil index to measure inequality (Sun and Fan, 2008). Yet, as these indices cover only some of the large variety of indices and are constructed in different ways, a more full-fledged picture of the indices is important. As Bickenbach et al. (2012) notice, there is no structured or uniform taxonomy guiding the choice of measurement in this research field.

This paper aims to fill this gap and discusses the characteristics of the most prominent indices with both regard to absolute and relative indices as well as to both concentration and inequality research. We then apply Chinese data on value added and employment ranging from 1990 to 2014 and report the influence of the index chosen on empirical results. We moreover show how decomposable indices can shed more light on the causes of inequality compared to other indices.



**Csaba Patkós, Eszterházy Károly College, HUNGARY**

Since the 1990s rural areas of Central and Eastern Europe have undergone a great socioeconomic transition. The LEADER program of the EU with its focus on bottom-up approach and local governance was something really novel for traditionally centralised rural societies. As Kovách stated a decade and a half ago, LEADER can help to redistribute power over material and intellectual resources. (Kovách, I. 2000) At the first stage of access high expectations were typical. LEADER was evaluated as an ultimate weapon for rural development. As implementation began, enthusiasm started to decline as in many Western European states. Usually the method was expropriated by ruling local elites, consequently it was transformed to a formal hunting ground of the "project class".

In our recent article a comparison of the national implementation of the LEADER program is investigated. Local action groups (LAGs) are angled in the research, as an analysis is made by the theory of Paasi's institutionalization. Beyond the survey of territorial shape and symbolic formation the institutional constellation and established role is studied.

The research is based firstly on desktop research (e.g. analyses of related basic statistics and that of integrated rural development plans) and secondly on a questionnaire inquiry of LAGs.

Although CEES joined the EU and the world of LEADER almost at the same time some national specialities can be found in the implementation and LAG formation process. In point of territorial and symbolic formation continuity or the lack of it seems to be crucial. In case of the institutional formation a harmonic mix of for-profit, non-profit organizations and authorities is the key of success. Among active actors members of the former power-holding elite and those of outsiders can be found as well. A local agency adequate in size and having qualified staff is another significant issue. At the same time there's no universal recipe of success, beyond national factors local ones can highly effect LAG activities.

Our results can contribute to the reading of local governance in case of post-socialist countries. Recent processes of CLLD development (2014-2020) in the region could harness some achievements of this study. This paper was supported by the János Bolyai Research Scholarship (BO/00542/13/10) of the Hungarian Academy of Sciences.

**Martin Pelucha, University of Economics in Prague, CZECH REPUBLIC**

EU's rural development policy is still in official documents presented under the auspices of a very ambitious goal - territorial cohesion, which was normatively defined in the Lisbon Treaty. However, approaches to the definition of territorial cohesion are highly fragmented (i.e. territorial and institutional issues, urban-rural relations, policy coherence), diverse and mostly inspired equally with definitions of the sustainable and balanced territorial development. Nevertheless, in the case of the territorial cohesion, there is a general emphasis on elements of socio-economic development.

Determination of the territorial cohesion as part of the EU's rural development policy in the first decade of the new millennium heralded some hope in a further application of rural studies assumptions in the policy-making, especially by an incorporation of the rural development policy to the EU's CAP as an independent pillar. However, the role of the agricultural approach to rural development remained absolutely dominant in terms of financial allocations. The EU is trying to enforce these trends and in long-term period to maintain a certain level of subsidies to the agricultural sector. In terms of the rural studies terminology, however, there are no

adjustments, especially in using the terms "development" and "rural". These terms go beyond the dimension of meaning of neoproductivist approach to rural development. The use of territorial cohesion assessment for agricultural rural development instruments seems to be irrelevant.

This paper provides a quantification of the consistency of the rural development policy with the aim of territorial cohesion. According to the defined key issues, attention is focused on the evaluation of socio-economic characteristics of the municipalities in which the selected instruments of the rural development policy were implemented in the period 2007 – 2013. These instruments were divided into two groups, i.e. agricultural and structurally oriented (i.e. non-agricultural) policy instruments for rural development.

Agricultural tools are presented in the paper by a dominant agro-environmental measure (AEM) and the support of less-favoured areas (LFA). These tools are closely linked with the size of agricultural land, which is a defined target in their definitions. The LFA payments were more geographically targeted to municipalities with specific handicaps to farming (e.g. the slope of the soil, altitude).

Structurally oriented tools of the rural development policy are very different in their focus. Therefore, the results of these interventions were based differently in terms of their localization. Nevertheless, this group of instruments derives a better targeting in terms of the intensity of grants to municipalities with worse socioeconomic conditions. But, the support of the Axis III was significantly financially limited. The results of these analyzes have confirmed that compliance with the objectives of socio-economic dimension of territorial cohesion in the case of agricultural tools is minimal, results of non-agricultural tools are ambiguous, which was caused by a variety of supported activities and their small share on the total financial allocation.

#### *Developing Area Studies*

### **SHAPING NON-CORE LOCALITIES THROUGH FINANCIAL EDUCATION AND HEALTH: LINKED ANALYSIS CATEGORIES?**

**Luis Arturo Peralta Espinosa, Universidad Autónoma Del Estado De Hidalgo, MEXICO**

**Martha Irene Muñoz Espinoza, Universidad Autónoma del Estado de Hidalgo, MEXICO**

To what extent what we know about money and the way we use it determine territorial features? Does personal financial performance shape a local economy? This work intends to identify the linkages between the financial behavior of a mexican higher education sector and its localities. For this purpose a hundred interviews have been conducted so far in the structural organisation of three universities localised in the central region of Mexico to establish on the one hand their financial notions, and on the other hand their economic performance and the role both may be playing in the local development. Our hypothesis outlines a gap between financial theory and practice in the abovementioned sector that condition some structural and functional features of territories. Thus methodology is based on 29 items divided into three sections and analysed through a correlation coefficient. The three sections of research instrument are described as follows: i) "What you know about money" comprises financial education category and establishes three levels of conceptual understanding: advanced, intermediate and basic; "What you do with money" involves financial health category and suggests two economic performance levels: advanced and intermediate; and "Local and regional features" category explores the extent to which financial behavior influence social, commercial and labour characteristics of localities. It is expected to accomplish additional interviews (at least a hundred more) to answer two main questions: a) does financial education of interviewed participants determine their financial health?; b) does financial health of interviewed participants shape any structural or functional feature of localities? Partial findings indicate that i) less than 30,0% of interviewed participants own very accurate knowledges about their incomes, tax treatment and general economy; ii) 5,0% has an optimum financial performance in terms of personal and family budgeting, use of credit cards and insurance coverage; and iii) 60,0% points out have no compatibility between their daily requirements (goods, services, spare time) and local offer. At the moment data and information base is conformed by the same number of women and men, age 46 average, 75,0% married, two sons or dependents, monthly income between \$8,000 and \$20,000 mexican pesos (around €440,00 and €1,100.00) and 50,0% with additional economic activities.

**SURVIVORS: EXPLORING THE GEOGRAPHY DIMENSION OF ORGANIZATIONAL RESILIENCE THROUGH A CASE STUDY OF FOUR FIRMS**

**Inger Beate Pettersen, Bergen University College, NORWAY**

**Mary Genevieve Billington, International Research Institute of Stavanger, NORWAY**

**James Karlsen, University of Agder, NORWAY**

**Line Mathisen, Northern Research Institute, NORWAY**

This research explores and expands the concept of organizational resilience, drawing on in-depth studies of four firms located in diverse regions of Norway. Resilience in the context of organizations is discussed as an organization's ability to survive and prosper in complex and turbulent environments. In an increasingly competitive, turbulent and globalized market, some firms survive and thrive, seemingly against odds. Such firms couple an ability to withstand and absorb shocks and shifts in the external environment with robustness, signified by growth, identity, local affiliation and competitiveness. There is general agreement on the usefulness of the notion of resilience to describe the observed phenomena.

Resilience is viewed as embodied in industrial, network and institutional structures. It is however critical to relate resilience to the different actors in regions; individuals, organizations, industries and so on, as each may embody inherent distinctive features of resilience. Furthermore, our research aims to contribute by exploring how geography dimensions (place and history) relate to and support organizational resilience, as these dimensions are scarcely addressed in the literature. We therefore ask: how resilience capacity and a culture of resilience is sustained in a firm over time, and which role geography (place and history) plays in fostering, sustaining and nurturing organizational resilience.

We choose a qualitative multiple case study approach to investigate the organizational capacities underlying organizational resilience. We strategically selected four firms within manufacturing industries in four regions. Each firm had been exposed to external shocks and shifts, but had managed to adjust and improve their positions through innovation and organizational dynamic capabilities. The case firms differ in size, age, geographical location and type of manufactured product. The firms had also experienced shocks and shifts of differing character. Hence, while the specific cases provide contextualized and particular insights of internal processes and activities, the analyzed cross-case findings can identify similarities across contexts. The interviews (both individual and focus groups) were inspired by the critical incident technique (CIT) as this technique facilitates the investigation of critical events and processes identified by informants in retrospective. Furthermore, we collected data from multiple informants representing different organizational levels, positions and functions. We transcribed the interviews and used them to construct case descriptions incorporating the critical events with their interlinked processes and actions. In analyzing the data, we draw on the notion of "resilience capacity" which is seen as an internal factor constituted as "a unique blend of cognitive, behavioural, and contextual properties" that enables the firm to understand and reflect on its current situation. These themes function as criteria for the second analysis, which was the comparison across the four case firms.

The preliminary findings show that the geography dimensions: place and history, played a fundamental role in developing and sustaining the firms' resilience capacity. Yet, each case firm represented a unique blend of cognitive, behavioral and contextual properties influenced by their history of crises and their varied, but deep anchoring to the place.

**REMOTENESS AS A TOOL FOR PERIPHERAL DEVELOPMENT: THE ITALIAN NATIONAL STRATEGY FOR INNER AREAS**

**Maria Giulia Pezzi, Gran Sasso Science Institute, ITALY**

Much of the Italian territory is organised around "minor centres", often small hubs that guarantee their residents only limited accessibility to essential services. The specific features of these territories (defined under the

expression “Inner Areas”) represented in 2012 the starting point for a wider reflection on rural/mountain areas development and the resulting policy making process. As a consequence of that, the Italian Minister for Economic Development has recently launched the “National Strategy for Inner Areas”, aimed at finding an integrated approach that could help providing the inhabitants of such territories with basic services (i.e. transport, health and education) currently perceived to be insufficient. The final goal of this strategy is to generate an inversion of the negative demographic trend, which has been affecting the “Inner Areas” at least since the end of the 1950s. As of today 20 of the 65 selected areas are already drawing up their preliminary strategy - which shall be the result of an in depth analysis of the available human, cultural and natural capital - to find those elements that could foster a sustainable, durable and localised development model. So far it was possible to observe two sets of processes: a top-down one, that has the objective of preselecting the areas and providing the general guidelines for the strategy, and a bottom-up one that sees those same areas as actively involved in drawing up their future development plans. The paper aims to investigate whether “Inner Areas” can be defined as “remote”, as if so to what extent. Using remoteness as a theoretical framework to address such areas could be considered as a way to analyse the existing relationships between urbanised centres and their peripheries, implying the existence of a set of power relations that influence policy-making strategies, as well as identity-making processes. “Inner Areas” could be not only a spatial definition derived from the use of precise indicators, but could also correspond to a way of being and inhabiting one’s social space that originates from historical, economic and geopolitical factors. This aspect leads to the question whether the supposed remote and backward character of “Inner Areas” can be considered as one of the elements that actually empowers them and legitimates their agency in this specific development strategy.

#### *Leadership and Governance*

**WE DON'T CONTROL THE SPENDING THAT HAPPENS IN OUR REGION. SO I'D SAY THAT WE'RE DOING WHAT WE CAN TO BE GOOD REGIONAL MEMBERS - EXPLORING THE ROLE OF SCENARIO THINKING IN REGIONAL REGENERATION IN NORTH WEST TASMANIA, AUSTRALIA**

**Richard Phillips, RMIT University, AUSTRALIA**

**Peter Fairbrother, RMIT, AUSTRALIA**

**Matthew Walker, RMIT, AUSTRALIA**

Promoting regional regeneration is a difficult and complex task. Usually a range of stakeholders are involved in thinking about, planning for and delivering economic growth. As centralised decision making is devolved to regional contexts, regions are increasingly being called upon to develop their own economic futures. Under neoliberal forms of governance institutional space has opened up for regional actors including business, local government and civic groups to play more of a central role in policy making and in shaping a region’s strategic trajectory. This paper explores the ways in which regional actors in North West Tasmania (NWT) attempt to shape the region’s future by using scenario methods- a particular approach to generating alternative visions of the future. NWT is a region with significant challenges such as high levels of youth unemployment, poor educational outcomes and a recent history of deindustrialisation.

Scenario methods are used by organisations, businesses and others to help think about and plan for different futures. In practice, a group of participants consider scenarios that describe different societal and institutional futures in order to challenge existing thinking and to generate discussions and actions plans towards achieving more favourable outcomes or lessening the impact of negative ‘worst case-scenarios’ . Scenario planning, as a formalised strategic method, was initially deployed in a military context. Since then scenarios have become commonplace within industries and organisations. More recently scenario methods have been used to address broader concerns such as climate change and regional transport. Accompanying this growing usage is a body of theoretical debate. Practitioners and theorists have refined their methods to address problems such as uneven levels of participation, availability bias, time poor participants; and individual cognitive differences. One approach is to ensure ‘remarkable people’ are included in the discussion groups. Such people have specific expertise but may not be part of the existing participant group. Their role is to challenge group thinking.

Applying scenario methods at a regional level has received less attention. In particular, the extent to which participants’ capacities and resources impact on their ability to engage with the scenario methods remains

unclear. Data from four scenario workshops and seven follow-up interviews with workshop participants shows the key challenges to involving local actors in debates about regeneration. The question this raises is how scenario practitioners and theorists account for ‘unremarkable’ participants who may have limited power and influence at a regional and organisational level?

*Special Session: The Emerging City of Milan*

### **GOVERNING INNOVATION IN TIMES OF AUSTERITY: NEW ACTORS AND/OR RENEWED MODES OF COLLECTIVE ACTION? THE CASE OF ASSOLOMBARDA AND POLITECNICO UNIVERSITY**

**Clément Pin, Université Paris 13, FRANCE**

**Deborah Galimberti, Sciences Po Lyon, FRANCE**

This communication wants to contribute to the understanding of the socio-economic and political transformations of Milan by investigating the role played by universities and business associations in the field of innovation and local development. Milan has been depicted as a paradigmatic example of the so-called “pure society”: economic and social actors have indeed historically driven social transformation, compensating in this way a lack of political leadership and institutional coordination (Bobbio, Dente, Spada, 2005). Following the economic crises of 2008, austerity measures have hit hard local governments and public development agencies such as the Provincia and Milano Metropoli, which have promoted collective actions in the field of innovation and local development during the mid 1990s and 2000s. The slow but irreversible decline of these initiatives promoted in the framework of “local development paradigm” (Governa, 2015) can be interpreted as a gradual shift of the “locus” of collective action sustaining innovation and territorial development that was already underway and that the current crisis has contributed to bring to the surface. As a matter of fact, in the last years traditional business association – i.e. Assolombarda – and universities – i.e. Politecnico – gradually renewed their modes of action by promoting different initiatives in the field of innovation. New collective actors (Fondazione Politecnico), regrouping both academic and business actors (local and global players) engaged in innovation and R&D, and new partnerships with local governments (Milan municipality) and institutional actors (local Chamber of Commerce) were set up. In this communication, we will analyse in-depth the renewed modes of collective action of both business (Assolombarda) and university actors (Politecnico) engaged in the innovation field at the urban level. Our results confirm the existence of an endogenous capacity of economic and social actors to adapt to external changes and drive economic innovation. However, they call into question the role of political actors in the institutionalization in the long term of these initiatives and more broadly of the trade-off between output and in-put political legitimation (Pichierri, 2005). Based on two recently defended PhD thesis, which analyse respectively the participation of economic (business associations and local chamber of commerce) and R&D actors (cluster’s poles and universities) to local public action, this communication aims to contribute to a research agenda on the social mechanisms sustaining resources’ activation for local development in Italy (Vitale, 2015).

*Leadership and Governance*

### **AGENCY, NETWORKS AND KNOWLEDGE: THE ENABLING ROLE OF REGIONAL COALITIONS**

**Romulo Pinheiro, University of Agder and Agderforskning, NORWAY**

**Jan Kohoutek, Centre for Higher Education Studies (CHES) and Charles University, CZECH REPUBLIC**

**Roger Normann, Agderforskning, NORWAY**

This paper focuses on the increasing role of regional coalitions as catalysts for institutional renewal and capacity building at the local level. Regional coalitions can, broadly speaking, be characterised as actors working across organisational, institutional and sector boundaries, sharing common interests and rallying around a joint vision for regional development. The rise of regional coalitions is intrinsically associated with the need for more flexible, multi-level governance and leadership frameworks that are multi-directional in nature – combining ‘top-down’ and ‘bottom-up’ approaches – and aim at enhancing the overall resilience of local institutions (Benneworth et al. 2014). The paper’s conceptual basis is based on recent work around ‘place-based leadership’

(Sotarauta 2015; Sotarauta & Beer 2015), for example as regards the interplay between strategic agency and institutional entrepreneurship, against the backdrop of the emergence of 'multi-level governance arrangements' cutting across governance layers and sectors of the economy (Piattoni 2010). Empirically, the paper compares developments within six so-called 'peripheral regions' in two national settings, Norway and the Czech Republic, and as an integral part of a larger 2-year comparative project (funded by the Norwegian Research Council/Norway Grants) involving about 20 researchers from both countries. Both quantitative and qualitative data sets are used. Our aim is to contribute to recent scholarly and policy debates regarding the role of agency, networks and knowledge in the light of the complex and synergic interplay between local governance and regional development in Europe and beyond.

*Territorial Politics, Metropolitics and Federalism*

## **THE ROLE OF SUB-NATIONAL GOVERNMENTS IN EU MACRO-REGIONS – A STRATEGIC-RELATIONAL APPROACH**

**Melanie Plangger, University of Innsbruck, AUSTRIA**

European policy-making increasingly relies on cross-border structures at various scales. The transnational cooperation between cities, sub-national regions and nation-states provides a flexible tool to tackle cross-border challenges and to develop territorial solutions and policies. European Union (EU) macro-regions represent the latest attempt to encourage cross-border activities and to embed them in a strategic framework.

In theory, the official EU documents define sub-national regions as the basic unit of macro-regions. Moreover, the strategy documents give the principle of multi-level governance, and thus the dispersion of competencies across different territorial levels, a prominent position. However, the existing four macro-regions provide a mixed picture in terms of sub-national influence. While in the macro-regions in the Baltic Sea, the Danube and the Adriatic-Ionian Sea region sub-national governments only play a minor role, they have succeeded in initiating and co-designing the macro-region Alps. Consequently, two interrelated questions emerge: Which conditions facilitate or hinder the influence of sub-national governments in EU macro-regions? And how do sub-national governments themselves attempt to shape these conditions?

To answer these questions, the paper proposes a research design to examine the possibilities sub-national governments have to not only participate in macro-regions, but also to actively shape them. The paper first discusses the existing literature on cross-border cooperation. Academic studies mainly deal with the role of agency and the impact of structures separately. While the rescaling literature has highlighted the role of strategic action behind the creation of cross-border regions, the governance literature has examined emerging opportunities for sub-national actors. The paper argues that the analysis of sub-national action and influence in transnational cooperation requires linking the key insights of both theoretical strands. Scholars have to connect the strategic action that stands behind the creation, design and management of cross-border structures with the opportunities and constraints that emerge for specific actors. The strategic-relational approach developed by Bob Jessop provides a theoretical framework to examine the mutual relationship between structure and agency.

Consequently, the paper develops a strategic-relational approach to EU macro-regions. It draws on an extensive literature review of academic studies and EU policy documents to illustrate the usefulness of the proposed research design. Accordingly, the final discussion outlines the role of sub-national governments in the context of framing and steering strategies and complex vertical networks that pose specific demands to sub-national actors. The findings imply that future studies should not examine structures and agency separately, but relate structural opportunities and constraints to the strategic actions that create and shape them.

**Evgenij Pliseckij, NRU Higher School of Economics, RUSSIA**

Urban infrastructure is a driver of regional growth (EY, 2014). Pro-cyclically, it stimulates real estate development and services. High quality infrastructure can attract new sources of demand, high skilled labor, and entertainment complexes, and it can encourage improved quality of educational institutions. The prominence of infrastructure in investment attractiveness has made it a key strategic objective of regional governance in Europe, North America and Asia ((de Goei B. Et al., 2010; Martinus, 2012; Graham, 1999; HABITAT, 2015; KPMG, 2012; Hoornbeek et al., 2009; Beneš, 2006; Burger et al, 2013; EU, 2008). Although there is a considerable literature on the importance of infrastructure investment for growth in the EU, there is less on the Russian Federation: this paper addresses the role of infrastructure in investment and sustainable outcomes in the regions of the Russian Federation.

There is a rich literature on the definition of public goods (Roehrich, 2014; Caldwell, 2012, Productivity Commission, 2014; Тачалова, 2009; OECD, 2013) To this can be added more specific treatments of infrastructure, which contribute to categorization of public goods important in attracting investment to regions (Musgrave, 1939, 1983; Stiglitz, 1997; Jakobson, 1996) and to the urban economy (Burak et al., 2009; Il'ina, 2013; Glazychev, 1982, 2008). This paper contributes to that literature by assessing the role of public goods investment in urban transport, utilities, engineering, social infrastructure. The European model begins by using models of future urban development for a comfortable living environment that affect the direction of the development of social infrastructure. These include: 24-hour business activity; rational energy consumption, enhancement of public spaces, shifts in consumer culture toward multifunctional use objects, and new quality housing standards. The Russian model is constrained by a lag in development, produced by legacies of Soviet regime infrastructure.

**Gintare Pociute-Sereikiene, Lithuanian Social Research Centre, LITHUANIA**

**Dovile Krupickaite, Lithuanian Social Research Centre, LITHUANIA**

Since restoration of independence in 1990 the former socialist countries (especially the cities) in Central and Eastern are rapidly changing. This period is labelled under the "transition period" term. The period that is full of new ideas coming from the West of Europe and USA. With these new ideas in Central and Eastern Europe have appeared gated communities or similar to them gated and guarded neighbourhoods (GGN) as the new-style residential settlements that become the symbols of territorial segregation. Usually the emergence of such neighbourhoods is approached as the symptom of the city pathology that stresses the problem of social exclusion and the disappearance of community in the modern society. This phenomenon in Lithuania is not so often but the last years the number of such neighbourhoods has increased. Currently we count around 30 GGNs in our country that differ by their size, architecture style, location according to the city centre and the services they provide. In Lithuania GGNs are usually located on the outskirts of the city, thus, the new settlements that are chaotically built in the countryside have no any (or only very weak) connection and integration to the local settlement network. Our research and statistical data underlines, the residents of these GGNs radically differentiate from locals according to the social structure, cultural identity or political preferences. The new residents maintain only minimal contact with the old ones, therefore, the local communities are not being formed. The local authorities underline, that the GGNs are like "cities in the village" and they feel more connected with the city (were the settlements' residents work, go to schools, do shopping) than with the countryside. In public the appearance of such territorial structures in the cities and their regions are considered controversially. On the one hand, it is pointed out that these settlements create positive atmosphere, economic value, social infrastructure for both: settlements' residents and also for the neighbourhoods where they are located. On the other side stand the opponents of GGN who underline that these settlements segregate the society and they provide with the list of negative effects of these settlements again for both: GGN residents and

the ones who are left “outside the wall”. Since 2014 we research the effects of GGNs to its own residents and the inhabitants of the neighbourhoods they are located. This research is the one part of the project “Growing urban regions and spatial segregation of their residents in Lithuania” (funded by the grant No. MIP-086/2014 received from the Research Council of Lithuania). The main method that is being used in our GGN research is interviews with local authorities and residents. As the supporting method, in the research is used the analysis of previous studies, statistical and cartographic data. In our research that is going to be presented, we raise the questions that might provide deep and long discussions: “does the emergence of gated and guarded neighbourhoods influence the segregation in the cities/city regions? How do the GGNs affect these settlements’ residents and the society that is left “beyond the wall”?” Apart from these key questions in our presentation we give short general introduction for the audience of the GGN phenomenon in Lithuania and briefly present the results of the surveys about these settlements that have been carried out in the last decade.

*Local and Regional Economic Development and Planning*

## **RURAL DEVELOPMENT AND TERRITORIAL CAPITAL IN A HUNGARIAN AND FRENCH REGION**

**Peter Pola, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

**Pascal Chevalier, Université Paul-Valéry Montpellier 3, FRANCE**

Our study deals with the non-market relational resources, which is closely related to social networks. In the institutional economics the role of social relationships is important in the economics too. The local implantation of the economic activities, the enterprises has become an important research area. The economic activities, the decisions are not independent of the interpersonal relational networks. The configurations of this networks, the situation in the networks has an influence on the possibilities of the economic actors. Lot of formal (laws, organisations) and informal (customs, norms, values) institutions both have effects economic actors and theirs decisions. This kind of concept (emphasizing the social relations) of the economic development is more and more strongly in France (Pecquer, Zimmermann): in the local economic development the focus is on the institutional and social resources.

The experiences of the LEADER programs and the results of the ALDETEC research programme shows: in a territorial development program is very important we analyse and test a time-varying, multidimensional living entities. One of the most important objective of the LEADER program is to establish and to consolidate a ‘project-area’ in long-term, which has an unified identity, to focus on the importance of the complexity, to force the local resources, activate the local actors and the cooperation among stakeholders, and to establish a successful cooperation in organizational structures.

But what is the possibilities for rural areas? In other approaching: how might be formed the vision or a development project planned by the stakeholders on the base of situation analyses. In this solution the stakeholders are more active, the local actors are more than executives in an top-down process. What are the key elements of the development identified by local actors are able to base a long term development strategy? The concept of territorial capital can help us to find the answers. In the concept of territorial capital the development is a social process, complex, has not only economic nature. The endogenous resources are determinants. These are the base of the development and growth. In a special region – such as our research target area too – several form of capital exist and „work” at same time, and these elements of capital are on the borders of social and spatial sciences.

The territorial capital depends on our vision too. What are our goals? What kind of region-specific strategy we need? What kind of region-specific strategy we can prepare and realise? The point of view of territorial capital the region's external relations are also important. The relationships of local actors are significant, and are linked the town (jobs, markets, services) and the town is also connected with this region (recreational functions, local food).

In the process of the preparation of a local development strategy, we should examine the interactions among the elements of territorial capital. These identification and analyses are the most important element of our



research. Some additional issues are also important in our concept, for example: What are the most important local resources? How we can realise the territorial specificities, how we can create new specificities, new resources?

*Special Session: Critical Studies of Urban and Regional Development*

### **FINANCE GOVERNMENTALITY IN REGIONAL AND URBAN SPACES IN SPAIN: A CRITICAL APPROACH**

**Paula Portas, Cardiff University, UNITED KINGDOM**

In recent years many regions have emerged as significant arenas for public policy and have developed their own policy communities (Keating, 2015, 2013; Keating et al., 2009). And, in spite of the presence of central authorities, there are greatly divergent regional policy models within many European states (Dolowitz, 2012). For instance, Spain encourages territorial policy diversity within fairly strong structures devised by central government. Here, the autonomous communities have become salient governance and policy-making arenas – despite their policy capacity being limited by circumscribed competences in some areas and by deficient tax-rising power (Gallego and Subirats, 2012). Whilst issues of devolution of powers to the regions and multi-level governance have been object of many analyses, less attention has been paid to understanding how policy modes impinge in regions’ capacities. More specifically, I am interested in examining how the most salient trait in policy-making since the 1980s –the impact of neoliberalism and the shift from government to governance— influence how (and whether) regions exercise their competences, shaping regional policy communities’ mentalities and practices. How have the neoliberal and financialized transformations in policy processes remodelling the state public policy-making and service provision impacted on the regions’ own policy capacities?

To answer these questions this paper examines and compares finance governance and the management of the financial crisis in two Spanish regions, Catalonia and Galicia. Regional finance and its governance have become salient recently in countries such as Spain or Germany because it was regional financial institutions –over which regions had oversight powers— that were at the core of the recent financial crisis. Drawing on critical approaches and interpretive methodologies –a Foucauldian governmentality framework and an ethnographic sensibility— the paper analyses regional financial governmentalities; it deconstructs policies to reveal patterns and processes of power and governance and to provide an understanding of the impact of neoliberal rationalities in regional finance policy-making. The paper aims are twofold. On the one hand, it aims to provide a theoretical contribution to debates on the financialized and depoliticised character of contemporary governance as it affects regional and urban spaces. On the other hand, it provides an empirical look into regional governance and policy-making practices in the case of the Spanish regions.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

### **COHESION POLICY AS AN INSTRUMENT TO INCREASE AIR QUALITY IN CROSS-BORDER REGIONS**

**Oto Potluka, CZECH REPUBLIC**

**Jan Bruha, University of Economics in Prague, CZECH REPUBLIC**

Polluted air is causing health problems of humans. Thus, it is a reason to set up programmes to increase air quality, like is the Operational Programme Environment 2007-2013 in the Czech Republic. We conducted a counterfactual impact evaluation of interventions in a cross-border region to investigate whether the programme has decreased air pollution.

We did our research on pollutants PM2.5 a PM10 as their impact on human health has been already proved (Arraz et al, 2014, Garshick, 2014, Lagravinese, 2014, Raun et al, 2014, Yorifuji et al, 2014, or Esposito et al, 2014). This article aims to evaluate impacts of the priority axis 2 of the Operational Programme Environment. Specifically, the objective is to answer the research question whether the investment in this priority axis has effects on decrease of air pollution in the Ostrava region (part of the Moravia-Silesia region) a region neighbouring to Poland. This region has the greatest problems with air pollution not only in the Czech Republic,

but also among all EU regions. The concentration of the Operational Programme Environment in this region is great as 41% of the whole allocation of 17.6 billion CZK was invested in projects located in this region during the surveyed period of years 2010-15.

We applied the synthetic control method to estimate the impacts of the above-mentioned intervention. It is a method which statistically creates a comparison group for the evaluated region. Impact of air quality after the year 2012 is estimated based on the monthly data on average concentrations of pollutants PM2.5 and PM10 and investment in air quality. We have data on air pollution in 72 stations across the whole Czech Republic to construct a synthetic Ostrava region.

The results prove that it is problematic to prove significant influence of the investment on decrease of air pollution. Nevertheless, the data provide time-series too short in relation to dynamics of absorption capacity of the Operational Programme Environment. Thus, the approach we have used has its limits as the assistance of the Operational Programme Environment had been increasing in the years 2013 and 2015. Thus it is necessary to apply the method again in 2016 to get information on long-term impacts of the assistance.

*Local and Regional Economic Development and Planning*

## **BROADBAND AND SMES: WHAT'S CHANGED FROM DIAL-UP TO SUPERFAST BROADBAND?**

**Liz Price, University of Lincoln, UNITED KINGDOM**

**Jim Shutt, University of Lincoln, UNITED KINGDOM**

**Jessica Sellick, Rose Regeneration, UNITED KINGDOM**

**Summary:** This paper focuses on the experiences of SMEs participating in 'onlincolnshire', an ERDF-funded programme designed to stimulate demand for superfast broadband in Lincolnshire, England. It examines patterns of broadband adoption by SMEs, and the changes that these have led to within the business. Drawing on previous research with 'onlincolnshire' (Price, White, Atherton and Noke, 2007), it compares businesses making the initial transition from dial up to broadband in 2007 with those making the move to superfast broadband in 2015.

**Prior Work:** There is a large body of literature that emphasises the importance of broadband to business innovation and competitiveness (Czernich et al, 2011; Etro, 2009; Booze & Company, 2012). Other studies have cautioned against assuming broadband will have a transformational effect on all businesses (Galloway and Mochrie, 2005; SQW, 2013). The previous research conducted by the authors suggests that broadband adoption is associated primarily with efficiency gains and enhancements to existing business models, rather than transformational effects.

**Approach:** The paper is based on primary research with businesses that have received support from 'onlincolnshire'. The approach includes in-depth telephone and face-to-face interviews with over 50 businesses. It draws on the earlier research by Price et al (2007) to explore how business use of broadband has changed over time, and whether superfast broadband is more likely to bring about a transformational effect on SMEs.

**Results:** the results suggest that, among participating businesses, use of broadband has become embedded and it is now regarded as a utility. While advanced uses of broadband in 2007 included remote working and selling online, these have become commonplace and replaced by cloud computing, video conferencing and app development. The 'transformational' effect of broadband, however, continues to be evident in just a small proportion of SMEs.

**Implications:** Where broadband has a transformational effect on the business, this is associated with a number of conditions. These include the propensity of the owner manager to adopt new technology, to access specialist advice and facilities, and availability of tailored business support. This suggests that there is a need to focus ICT business support on the specific needs of individual firms via 1:1 and tailor made courses rather than generic guidance and training.

Value: The paper presents in-depth fieldwork with SMEs. It draws on two research periods, in 2007 and 2015, which provides the opportunity for comparison between different phases in broadband availability and use.

*City Region Building and Metropolitcs*

## **PRAGUE METROPOLITAN REGION AS A POLITICAL AND PLANNING CONSTRUCT: DISCOURSE ANALYSIS OF STRATEGIC DEVELOPMENT DOCUMENTS**

**Alena Procházková, CZECH REPUBLIC**

**Luděk Sýkora, Charles University in Prague, CVMR, CZECH REPUBLIC**

With the development of suburbanization processes in Prague metropolitan region, attention has been directed to the issues of metropolitan governance. This has been further stimulated by the agenda for the new programming period of the EU, especially with the emphasis on Integrated Territorial Investments (ITI). At present, Prague metropolitan region has no formal status. It exists in various forms as a construct in research, statistical and some policy documents. They reflect the formation of metropolitan socio-spatial system fueled by residential deconcentration through housing construction in the region of Central Bohemia which surrounds Prague and commuting from new suburbs to jobs concentrated in the City of Prague. The relation between the two regional governments of the City of Prague and Central Bohemia region are thus crucial for the management of territorial development within the metropolitan area.

Using a discourse analysis this paper investigates recent relations between the City of Prague and Central Bohemia region, as they are conceptualized and represented in regional and national development and planning documents. The primary research question concerns whether and how Prague and Central Bohemia mutually reflect each other in development and planning priorities, whether the two regions see each other as competitors and/or whether they also consider potential synergies from cooperation. Furthermore, the analysis examines whether the documents promote common interests within and for the metropolitan area. The wider goal is to reveal whether Prague metropolitan region exists also through bottom-up activities or whether it is being formulated only in a top-down direction as a discursive political construct.

The empirical analysis documents that Prague metropolitan region is not represented in majority of the reviewed nine policy and planning documents, but two. Firstly, the current “National strategy of regional development 2014-2020” fosters the intraregional linkages within Prague metropolitan region, which should be managed as a functional territorial unit. Secondly, the “Strategy for ITI of Prague metropolitan area” represents a common platform for cooperation between the regional governments of Prague and Central Bohemia as well as local municipalities thus contributing to the formation of metropolitan ties in the spheres of transport, environment and education.

The recent top-down intentions can be seen as the starting point for Prague metropolitan region’s institutionalization in the future. In the meantime, the current practices within Prague metropolitan region can be rather interpreted as a utilitarian collective action of several independent regional and local governments, which has not yet lead to the formation of metropolitan region.

*Austerity (Risk and Resilience)*

## **REFRAMING REGIONAL GOVERNANCE TOWARDS RESILIENCE: LESSONS FROM ENVIRONMENTAL GOVERNANCE**

**Marco Puetz, Swiss Federal Research Institute WSL, SWITZERLAND**

The paper proposes a framework to reframe regional governance towards resilience which is based on concepts and findings currently under debate in the environmental governance literature. The guiding research question addressed in the paper is, how to reframe regional governance arrangements in order to develop more resilient regions. The proposed framework is based on the assumption that both governance and resilience are about

change and both can be actively changed. In that respect, we usually refer to governance as new governance and we refer to resilience as transformation, new trajectories or processes of bouncing forward (instead of regeneration or bouncing back) (Shaw 2012).

The core elements of the proposed framework to reframe regional governance are on the one side two well-known and established features of regional governance: (1) the involvement of new actors, especially non-state actors, (2) the increasing role of new or modified institutions (rules, regulations), especially informal, market-based or network-like modes of coordination. On the other side, two rather new features of regional governance can be identified which are prominently discussed in environmental governance as potential drivers or facilitators for resilience and sustainability. First, scale and the role of rescaling as a response to problems of fit can be regarded as a key element of regional governance towards resilience. Problems of fit appear with the use of natural resources or ecosystem and constitute a common feature of environmental governance. Problems of fit can comprise functional, temporal, and spatial dimensions (Folke et al. 2007, Galaz et al. 2008). Generally, problems of fit refer to the mismatch between the geographical extent of an environmental issue and the territorial scope of institutions affecting its governance. In order to tackle this mismatch the idea is to create institutional arrangements which are tailored to fit to the geography of the environmental issue. Dealing with problems of fit and transforming institutional arrangements involves rescaling. The congruence of environmental governance with the natural or ecosystem boundaries or biogeophysical properties of the environmental issue has been termed spatial fit (Young 2002). The concept of spatial fit has a long history in natural resource management, for instance in fisheries or water resources management. But scalar thinking and the concept of rescaling have not explicitly been applied to urban and regional development, yet. Second, science-policy interactions can be regarded as another key element of regional governance towards resilience. Again with reference to environmental governance (e.g. climate change, biodiversity), creating and working at science-policy interfaces appears to be relevant for resilient regions because uncertainties of future developments are taken into account. Further, science-policy interfaces serve as knowledge producers and managers as well as boundary organizations to provide evidence-based decision-making.

The proposed framework and its key elements to reframe regional governance towards resilience are illustrated with examples from urban and regional development in Switzerland.

*Urban and Regional Sustainability*

## **TIMES OF AUSTERITY: THE SHIFTING FORMS OF GROWTH STRATEGIES**

**Lee Pugalis, University of Technology Sydney, AUSTRALIA**

**Nick Gray, Northumbria University, UNITED KINGDOM**

**Alan Townsend, University of Durham, UNITED KINGDOM**

**Ania Ankowska, Northumbria University, UNITED KINGDOM**

A discourse of growth is now prevalent across Europe (see for example the “Europe 2020” strategy), one which has become pronounced since the global recession and sovereign debt crises, in an enduring climate of austerity. Historically, the revision of strategies for economic growth has resulted in repeated experiments intended to improve the efficacy of local and regional development practice. In many countries, greater cooperation between the state, industry and civic society is promoted; often through multi-actor partnerships that privilege particular interests, notably those of business. More recently, a politics of austerity has influenced European local and regional development practice. This paper investigates a leading nation’s use of non-statutory, multi-actor partnerships in formulating growth strategies during times of austerity, and analyses the composition and substantive priorities of these strategies. Some key theoretical propositions pertaining to local and regional economic development during times of austerity, crises and cutbacks are applied through fieldwork conducted in England. The research involved a comparative analysis of growth strategies, based on a content analysis of all 38 Strategic Economic Plans (SEPs) produced across the country in 2014, and their associated documentation, together with a national survey and interviews with key stakeholders. These strategies provided the basis for negotiating Growth Deals with central government, which determined funds to support delivery subject to conditionalities. One conclusion is that there is no discernible correlation between growth ambitions and the scale of Growth Deal finance secured in different areas. More broadly, the research helps to demonstrate the

changing contours of local and regional development practice following the global recession, but also reveals the disjuncture between changing economic conditions and new modes of practice.

*Special Session: The Development of Peripheral Areas in Italy: European Perspective*

### **WHAT KIND OF DEVELOPMENT FOR INNER AREAS? A CONTENT ANALYSIS ON THE PRELIMINARY DRAFT OF PLANNING DOCUMENTS**

**Gabriella Punziano, GSSI - Gran Sasso Science Institute, ITALY**  
**Giulia Urso, Gran Sasso Science Institute, Social Sciences Unit, ITALY**

One key-issue dealing with local development strategies is related to the availability of the resources needed for building them. As a matter of fact, in the complex process of conception and implementation of efficient strategies, besides economic and financial resources, a crucial role is undoubtedly played by cognitive capital. Hence, an interesting analysis starts from the examination of the development plan documents, going through the texts themselves used to describe contents, actions, and expected results of the strategy. The documents prepared within the Italian “National Strategy for Inner Areas” could be a stimulating case-study. The aim of the national strategy is to create developmental tools likely to foster a series of improvements in the wellbeing of the populations living in inner areas. These improvements concern different aspects, i.e. access to basic services and better use of the social and territorial capital, that should lead to an inversion of the negative demographic trend. By means of an initial screening of the national territory, 20 areas have been selected to enter the pilot phase of the strategy; and some of them have already drawn up the preliminary drafts of their local strategy, which include an analysis of the resources already available in each area and the possible actions which could be successfully applied to foster long-period development.

In this paper, through a multidimensional content analysis of the available planning documents produced so far, we will explore the ways in which development strategies are locally interpreted and the most common approaches of policy-making found in them starting from the key concepts that emerge in the analysis. The focus is on the logic of the discourse, on the methods of reasoning and the categories most frequently used. In particular, in this first analytical step the preliminary strategies will be investigated in an explorative way through a correspondence analysis on the text data. This process will allow us to understanding not only the emerging key concepts but also in which way these concepts are used within the discourse, in what strategies are different or similar to one another, what are the focuses of each topic (i.e., local development, mobility, health, education, involved actors, planned activities, expected results, foreseen indicators) and, finally, how the detected concepts and topics contribute to the construction of spaces of meaning and cognitive capital within the whole process of local policy making.

What is expected from this preliminary study is the emergence of a first summary of the information contained in the draft strategies, the identification of the latent meaning dimensions underlying the definition of the different concepts of local development, thus fueling the debate around relevant issues related to the latter (such as tourism, sustainability, cohesion, inclusion, etc.).

*Urban and Regional Theory, Methodology and Data*

### **USING POLITICAL THEORY TO EXPLAIN ENGLAND’S REGIONAL PROBLEM**

**Martin Quinn, University of Leicester, UNITED KINGDOM**

This paper was inspired by some friendly fire at the 2014 Regional Studies conference from the Geographers amongst us that they provide the theory while the Political Scientists provide the case studies that inform the regional debate. This paper will attempt to draw on some of the classics of political theory in an effort to explain the (relative) failure of successive attempts to implement a sub-national tier of government/governance in England. Starting with the work of John Locke, J.S. Mill, and Jeremy Bentham, the paper argues that England’s liberal laissez-faire tradition has hindered the development of sub-national government. The structure put in place following the Glorious Revolution (in which context Locke wrote ‘Second Treatise of Government’)

favoured limited, conditional Government based in Whitehall and left little room for powerful authorities at the local or regional tier. Concepts such as private property and individual liberty were given preference over strong authoritarian governance. Since then power has increasingly centralised in Whitehall with little or no resistance from the rest of the Country – prompting Harvie (1991) to dismiss English regionalism as the “dog that never barked”.

The paper will then use Thomas Hobbe’s concept of ‘Leviathan’ and Jean-Jacques Rousseau’s ‘Social Contract’ as lenses through which it can assess the relative merits of some of the recent attempts at local and regional intervention. It will argue that none have been strong enough to form local or regional leviathans or form a social contract with either the local populous or business community that could last more than a few years. In particular the lack of funding and meaningful powers given to bodies like the Local Enterprise Partnerships make it difficult for them to gain buy in. Where the interventions did have a decent amount of funding (as with the Regional Development Agencies and Regional Assemblies) they ran counter to the principals of English liberalism espoused by Mill and failed to win the support of the local population.

The paper does not dismiss the idea of regional governance in England and agrees with Passi (2009) that new regions can indeed be created. In England regions need to be able to show they are able to bridge the gap between liberalism and leviathan by turning to Rousseau –i.e. if a regional leviathan could be seen to provide the conditions for liberty laid out by Mill et al then the populous would be prepared to sign a social contract with it.

#### *Leadership and Governance*

### **LOCAL INNOVATION SYSTEMS AND LEADERSHIP IN A SOCIO-SPATIAL CONTEXT: THE IMPACT OF TERRITORIAL IDENTITY, SOCIAL CAPITAL AND LEADERSHIP ON INNOVATION PERFORMANCE OF ECONOMIC PERIPHERIES**

**Garri Raagmaa, University of Tartu, ESTONIA**

**Jaan Looga, University of Tartu Faculty of Economics, ESTONIA**

In broad terms, local innovation system can be defined as a social system that features relationships between different groups of local actors (firms, training and business development institutions) in order to increase learning capacity, innovation and economic development within a particular territory. Several concepts emerged stressing the importance of local/regional internal factors such as knowledge, clustering, leadership and territorial (whether national, regional or local) innovation systems since 1980s. The recent policy documents and research papers focus on the place-based approach, underlining the importance of local values and the ‘sense of community’, the ability of local leaders to identify and utilise embedded local knowledge.

Proximity factor has been also criticized because a significant and increasing part of knowledge is processed globally through modern communication technologies. But the internationally active science community should realise that most ‘common people’ have no good reason for daily international interaction. People live and learn in a space or, more correctly, in ‘places’ where close and regular interactions take place. Learning has a spatial dimension per se because people and families are dependent on local norms, values and other forms of social capital. The lion’s share of knowledge used in daily practices is not codified and is spatially sticky. People are learning, not institutions.

The preconditions for knowledge creation, for turning knowledge into innovation and innovation into growth are embedded in the territorial culture. ‘Without a thorough understanding of place as it has human significance, one would find it difficult to describe why a particular place is special and impossible to know how to repair existing places in need of mending’ (Relph 1976). A region’s ‘collective personality’ or identity binds people together. This collectivism is considerably more important in small places where everybody knows everybody. Strong place-bounded identity allows changes in institutional set up and the carrying out of painful reforms without the danger of social collapse. It constructs and archives commonly held knowledge, extends trust and reciprocity and mobilises the region.

While institutions and social structures guarantee stability, they change slowly. Many institutions are locked into routine practices. This is the typical small town narrative, which appears to be true in many cases. To carry out changes, regions need good and effective leadership and leaders who have the potential to organize and reorganize social action with the ambition to change the institutions. On the one hand, due to the lack of leadership, institutionally thin and less populated peripheries have much higher risk in locking in. On the other hand, institutional thinness allows for fairly fast changes in small places: even one active person with leadership capacity can ignite a wider institutional turn.

Peripheralisation of small towns is not a matter of fate – it is, in many ways, socially constructed. Social processes are emerging as a constellation of institutionalised practices and power relations where the transformation of social practices and consciousness takes place. Place-based leadership may accept the challenge, consolidate the stakeholders and start a new development strategy. Institutional adaption and learning in geographic peripheries may take place reactively or proactively.

This paper analyses the impact of socio-cultural factors: territorial identity, social capital and leadership on local learning and innovation performance. Identity binds people together but may have dual impact: it helps to empower local economic stakeholders for innovation, openness and global connectivity but it might be also used to justify marginalization from global processes and self-closeness. The social capital formation is a unique, locally specific process that benefits cooperation and innovative networking between economic actors and breeds trust but it may also lead to institutional lock-in and interpersonal antagonism. Thus, particularly in economic peripheries, learning depends largely on local leadership, whether it is forward and outside looking or just tries to maintain the status quo and closeness.

Empirically, paper analyses a questionnaire with local leaders in 13 Estonian nonmetropolitan counties. The survey measured regional (1) innovativeness, (2) social and (3) human capital, (4) regional identity and (5) leadership qualities. This material will be combined with Community Innovation Survey locally interpretative results as well as ERDF enterprise development and innovation grant data of the 2007-13 period. Based on above data and ongoing observations, it would be possible to draw most characteristic and extreme development trajectories and provide typology of local innovation systems.

*Urban and Regional Sustainability*

## **GOING 'MONOCULTURAL', 'SUSTAINABLE', OR 'INTEGRAL': THREE SCENARIOS FOR THE FUTURE DEVELOPMENT OF DALMATIA, CROATIA**

**Petra Radeljak Kaufmann, University of Zagreb, CROATIA**

Since the mid-20th century the area of Dalmatia, the southern littoral region of Croatia along the Adriatic Sea, has undergone striking changes. From a predominantly rural region, it has been functionally and physiognomically transformed, and littoralisation, urban based industrialisation, and tourism development have affected changes differently. On the one hand, a high concentration of people and economic activities has characterised coastal centres as carriers of the secondary and tertiary sectors of the economy. On the other hand, depopulation and socio-economic underdevelopment have, to a great extent, marked (especially) the smaller Dalmatian islands, the interiors of the larger islands, and the Dalmatian hinterland. Considering these spatial development trends it is necessary to study and plan for possible future changes.

By combining factor analysis and the Delphi method, i.e. quantitative and qualitative tools, the goal of the research was to build future development scenarios for Dalmatia until 2031 and study their implications for spatial planning processes in the region. Factor analysis of 49 development indicators for 131 local government units in Dalmatia resulted in 6 key factors of recent development characteristics. Based on this, a panel of 19 scientists and experts from the academic community and planning practice considered possible future developments, in the time frame of 2014 – 2031, through two rounds of questionnaires. Their responses were qualitatively analysed and interpreted to form three explorative scenarios for Dalmatia: 'Monoculture of tourism', 'Sustainable tourism', and 'Integral development'.

'Monoculture of tourism' is based on further 'touristification' of Dalmatia and high seasonal activity that will not help reverse negative demographic processes. Levels of environmental protection, as well as innovation and technology will be low. 'Sustainable tourism' is based on much diversified tourist offerings and highly multiplicative effects on complementary economic activities which will not significantly affect demographic improvements. However, use of spatial resources will be more sustainable. 'Integral development' is based on year-round activity and employment, knowledge industries, and high levels of innovation and technology. With special attention being paid to the development of smaller and middle sized urban centres, this should have a positive impact on demographic trends. The consistency of these scenarios was checked in the second Delphi round, and implications for spatial planning of Dalmatia were listed. Via scenario method it was possible to encompass a wide analytical area, the complex set of important factors that influence development characteristics, and their possible future influences. Scenarios pointed to links among various aspects of spatial development, and the implications stemming from them are important both for spatial planning and a wider development context.

*Local and Regional Economic Development and Planning*

## **PLACE MARKETING OF RURAL AREAS: WHY CANNOT CITY MARKETING STRATEGIES BE 'COPY-PASTED'?**

**Daniel Rauhut, Norwegian Institute of Urban and Regional Research, SWEDEN**

**Olga Rauhut Kompaniets, Moscow State University of Economics, Statistics and Informatics (MESI), RUSSIA**

The intensification of competition for investment, tourism and human resources among European cities and towns has increased the importance of being unique. As the rural areas differ from cities and metropolitan areas, in terms of resources, vulnerability and resilience, these areas would benefit relatively more from successful place marketing than cities and metropolitan areas. Within the place-marketing theory, special spatially designed plans are included (Kotler et al 1999). The main problem may actually not be that place marketing is using tools and models from the marketing field, but that these tools and theories are not used in practice or in a proper way. The key question here is rather to what extent rural areas can 'copy-paste' place marketing activities for capitals, urban areas and metropolitan regions.

This paper aims at theoretically discuss the applicability of city marketing when place marketing a rural area. The discussion focuses on what the preconditions for successful place marketing is in cities as well as in rural areas, and then display how place marketing needs to be applied to be successful.

The findings suggest that rural areas differ from cities and metropolitan areas – in terms of e.g. population, resources, vulnerability and resilience – which make it difficult to copy-paste city marketing strategies. Most likely they will be unsuccessful. Urban and rural areas are not only different; they have completely different prerequisites when it comes to place marketing. The practical implication of the theoretical discussion is that spatially designed place marketing strategies should be applied in rural areas. There is no such thing as 'one-size-fits-all' strategy in place marketing! Place marketing has however become a lucrative area for consultants with little interest in empirical evidence or theory; one and the same concept is used.

Many small communities do not have the resources to do the diagnostics and planning themselves as the finances usually are strained. Instead they try to benchmark themselves relative other communities in the similar situation. They may also try to copy the way other communities deal with the same situation, which is a kind search for a best practice or good practice. Again, both these strategies are doomed to fail as the community in search of change must identify its own unique selling points, its own target audience(s) and what agents to transmit the positive images of the specific community.

This paper offers important insights on the importance of theory when conducting place marketing; theorizing successes and failures in place marketing could actually increase the efficiency of place marketing activities. For rural areas this could stimulate regional development.



**Xavier Raurich, Universitat de Barcelona, SPAIN**

**Jaime Alonso-Carrera, Universidade da Vigo, SPAIN**

**Jordi Caballé, Universitat Autònoma de Barcelona, SPAIN**

In this paper, we build a model that, according to the empirical evidence, gives rise to oscillations in wealth within a dynasty while keeping intergenerational persistence in education attainment. The mechanism that we propose is based on the interaction between effort and wealth suggested by the Carnegie effect, according to which wealthier individuals make less effort than the poorer. The oscillations in wealth arise from changes in the effort exerted by different generations as a response to both inherited wealth and college premium. Our mechanism generates a rich social stratification with four classes in the long-run: (1) A poor class composed of unskilled individuals who do not make effort; (2) a rich class composed of skilled individuals who make effort; (3) a middle class composed of unskilled individuals who make effort; and (4) another middle class composed of skilled individuals who do not exert effort. Our model highlights the role played by the minimum cost on education investment, the borrowing constraints, and the complementarity between effort and education.

**Gunvor Riber Larsen, Aalborg University, Denmark, DENMARK**

Hjørring Municipality is located in the rural northern periphery of Denmark, and currently faces the same challenges as many other non-core regions across Europa: increasing centralisation of services both within the municipality and on a regional and national scale, population stagnation and problems in attracting investments in order to sustain local business development. These challenges result in a need to adjust municipal policy and planning to the new reality of fewer people and an ever changing economic framework for socio-cultural and business development.

In order to meet these challenges Hjørring Municipal Council has adopted a new approach to the municipal policy for development: instead of stretching resources across the whole municipality, an explicit prioritisation of places to develop is made, while other places are respectfully left on their own. This approach is written into the politically adopted 2015 Development Strategy, and represents a break with previous development strategies in Hjørring Municipality.

The 2015 Development Strategy is based on a vision of tandem adjustment and investment: some areas in the municipality will through policy be adjusted to the new challenges, but not receive development attention, while other areas will receive investments in order to develop according to the challenges. Essentially the new development strategy says: there are some areas where we invest in development, while other areas will receive support in order to adjust to the new realities of being situated in a rural Danish periphery, but not in terms of development. It has taken political courage to differentiate in development and investment across the municipality, and the process leading up to the adoption of the 2015 Development Strategy has been rich in political discussions, disagreements, and not least uncertainty among politicians, citizens and municipal administration alike.

After the adoption of the 2015 Development Strategy, Hjørring Municipality has received the Danish Urban Planning Award for the strategy, with the awarding committee citing the municipal's clear message in the strategy, that some areas will receive investments, while others will not, and that this approach will create new qualities in both the places that are developed, and those that are not. In this paper the political process leading up to the adoption of the 2015 strategy for Hjørring Municipality is explored, and the factors that enabled the open discussion of much needed prioritisations in an area of Denmark where development don't just happen, and where there is not enough financial resources to support development in every area and every sector, are

identified and discussed. The final remarks of the paper will give suggestions to how other political entities might also position themselves so that they can make such difficult planning decisions and prioritisations for development in non-core regions.

*Cohesion, Competition and Smart Cities*

## **LOCATION AND COMPANY COMPETITIVE ADVANTAGE: THE VIEW FROM THE FIRM**

**Philip Riddle, University of Edinburgh Business School, UNITED KINGDOM**

The paper investigates cluster theory as it applies to financial services companies in Edinburgh, Scotland. The aim is to link firms' interests and experiences to regional and national policies through building on the theoretical foundations from the work of authors in regional science, economic geography and strategy. Employing methodological and theoretical tools from the strategic management literature this approach provides a unique "firm's eye view" of how companies see the effects location has on their competitive advantages, which is likely to be revealing for the businesses themselves as well as for policy makers and economic development practitioners. This will, in turn, help reduce the growing gap between academic theory and policy practice. This paper is part of a wider research effort that aims to make a unique contribution to the subjects of knowledge creation and transfer in on-going cluster theory.

The Edinburgh financial services cluster, second only to London in the United Kingdom, started with the founding of the Bank of Scotland in the city in 1695 and it is stronger than ever today. In 2012 the industry was worth over £4 billion in terms of Gross Value Added (that is over £8,000 per head for a city with a population of less than half a million) and the sector grew locally by 225% between the years 1997 and 2012. The city has, today, a dynamic roster of large and small companies with clear world class competitiveness. These range from the insurance giant Standard Life to asset management company BlackRock International to new ethical investment house, the Green Investment Bank.

A considerable amount of work has been done on cluster theory across several disciplines in recent years that has proved that the concept is not dead as a result of globalisation and is in fact thriving. Strategic management literature remains dominated by variations on the work of Michael E. Porter whilst economic geography writing has moved beyond this but is still lacking consensus in vital areas like defining clusters and reconciling cause and effect between successful locations and successful companies.

There is a new, strong focus on the role of knowledge creation and transfer in developing and maintaining clusters. This paper addresses aspects of this in relation to financial services companies in Edinburgh, including the role of networks and untraded interdependencies, the influence of culture at the local, firm and industry levels, the place of institutions, the effects of spatial inertia and the balance between co-operation and competition both within the area and externally. Edinburgh is unique in having maintained this cluster, based primarily on knowledge spillovers and institutional effects, as its dominant sector over such a long period and the research is informed by the experiences of both very well established firms and relative newcomers. The paper employs semi-structured interviews with key personnel in local business organisations and, primarily, in financial services companies themselves. These will be supported with an analysis of specialist literature with an eye towards integrating perspectives from strategic management and regional studies.

*Urban and Regional Sustainability*

## **FROM REGIONAL COMPETITIVENESS TO TERRITORIAL RESILIENCE**

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The debate on regional resilience has expanded increasingly in recent decades, showing very different approaches: on one hand a strictly economic orientation which describes dynamics of value added or

employment in period of crisis, on the other hand a gradual transition towards models of analysis and measurement more oriented to the multidimensionality and sustainability framework. Resilience is the ability to cope with a negative event, tolerating the negative impact produced by the perturbing action (Carpenter et al., 1999; Holling, 1973). More recent studies (Martin, 2012; Martin and Sunley, 2015) emphasize more explicitly the resilience of regions as the ability to adapt, recover and regenerate. In our approach, the evaluation of resilience of a system, by adopting a holistic reading of the phenomenon, involves the identification of systemic components and attributes such as openness to the external environment, availability of resources, structural dependence/independence, adaptability strategy. In this view, we have used the contributions on the theme of the economic systems fragility and resilience (Briguglio et.al., 2009; Liou and Ding, 2004; Naudé et.al., 2009; Sotarauta, 2005; The World Bank, 2014), social factors (Bachrach and Zautra, 1985; Cutter and Finch, 2007) and environmental factors (Intergovernmental Panel on Climate Change, 2001). Finally, these components have been traced back to the descriptive categories through some logical criteria suggested by the literature on the complex adaptive systems (Resilience Alliance, 2007). At the design stage of the theoretical framework, described above, a collection of some indicators of European regions has been connected with the dimensions and with the individual themes that constitute the phenomenon investigated.

In terms of regional competitiveness, we define composite indicators which take into account both the multidimensionality of wellbeing (economic, social and environmental) and its persistence over time (future generations). We use an aggregation of the target variables, that we name territorial virtuosity.

The paper aims to verify, through a study on European regions over the last decade, the scheme defined. We use a multivariate technique of dimensional reduction and then propose a system of indicators and composite indicators, which allow to get a synthetic and complete evaluation of the phenomena investigated, and a comparison among regions. The final focus of the analysis is the relationship between regional competitiveness and territorial resilience, measured by simple correlations of descriptive statistics and through econometric exercises to test the effect of the indicators of resilience on regional performance in terms of economic, social and environmental sustainability.

*Socio-Spatial Inequalities, Ageing, Knowledge Exchange, Demography and Wellbeing*

## **LINGUISTIC SEGREGATION IN A POST-COLONIAL CITY**

**Derek Roberts, The Copperbelt University, ZAMBIA**

Zambia is unique among African nations. The years leading up to independence and the fifty-one years since have been free of any major conflict. Some people attribute this to the country's motto: One Zambia, One Nation. Not only does the slogan appear on the nation's crest and currency, it can be heard everywhere from informal group gatherings to news broadcasts. The government has tried to ensure that Zambians do not experience the same ethnic conflict that has tarnished other countries in the region. Yet, there is an assumption that whites are somehow 'other' to this nation. One way this differentiation between blacks and whites manifests itself is through language. I discuss the significance of linguistic separation between races in a Zambian city. Even when whites are able to speak Bemba, they are typically excluded from participating in conversations held in the local language. Across the city, this racialised distinction is exacerbated by one's physical location. Decades after independence, language selection in the city's core continues to reflect the spatial segregation of its colonial past. Based on participant observation in a highly urbanised region home to the Bemba tribe, I argue that language selection in interracial interactions stems from role expectations rooted in colonialism and a post-colonial other-ing of Zambia's white population.

**LOCAL INITIATIVES IN LATE DEVELOPED REGIONS: LEARNING FROM REALITY**

**Juan Carlos Rodríguez-Cohard, SPAIN**

**Antonio Vázquez-Barquero, Autonomous University of Madrid, SPAIN**

This paper discusses the relevance of local initiatives as an instrument for regional policy in late developed regions. In order to do so, it is convenient to analyse the role played by different levels of government, local leaders, local firms or NGOs to foster self-sustained development in regions and localities. Case studies show that the efficiency of local initiatives depends on the local institutional framework for achieving a long-term strategy agreement between local actors on actions and goals.

The territory is an agent for transformation because local firms and the other actors interact in order to develop the economy and society. Each development path was possible thanks to the use of local resources and traditional accumulated knowledge linked through local culture, which evolved in order to face the productive and commercial challenges. The effects of this process for low income localities and regions are both the productive diversity of territories and the different socioeconomic dynamics.

Some places responded with local initiatives to the restructuring challenges during the 1970s and 1980s and are now undergoing the rise of international competition; others are trying to respond to globalization using local resources and capacities in an innovative way. Local development initiatives affect the structural changes in late developed regions becoming more integrated and diversified. Their effectiveness faces important challenges, such as compatibility of goals, interaction of the forces of development, and strengthening of institutions. The comparative advantages are being turned into competitive ones, by means of new products for new markets, using the productive specialization of territories. These processes demand the evolution of institutions and require specific local actions for each territory.

The paper attempts to answer questions such as: What can be learned from local experiences? How does the local actors' participation in the design, implementation and control of local development policies improve results? How can development and growth of the productive systems within the global markets be maintained? The experience of innovative territories shows that it is important to make the local organization of production more flexible and be led by innovative firms in order to succeed in global markets. But the cornerstones are the institutional change and local actor's agreement for underpinning any local development policy dealing with globalization challenges. Otherwise, the inefficiency of institutions threatens the process of economic development and increases the possibility of corruption within regions and localities. In fact, local and regional institutions are different; therefore territories require different policies, since a one-size-fits-all policy could lead to the implementation of wrong actions. For solving this question, the future local development policy should coordinate different administrations so as to make the combination of vertical, horizontal and bottom-up policies possible.

**EXPLORING DETERMINANTS OF FIRM RELOCATION IN POLISH METROPOLITAN AREAS**

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**Magdalena Dej, Institute of Urban Development, POLAND**

**Wojciech Jarczewski, Institute of Urban Development, POLAND**

In the regional economics literature, location decision of the firm is one of the most studied topics due to the important consequences that this issue has on the economic development of a territory (McCann, 2001). However, there are other key events in firm demography beyond its birth, such as growth, shrinking, migration and death, which deserve to be studied (Van Dijk & Pellenbarg, 2000).

Firm relocation is especially relevant from an economic policy point of view: knowing qualities and weaknesses of a territory allows to prevent companies from escaping and to promote location attractiveness.

Although a lot has been done from a theoretical point of view or using aggregated data, much less attention has been paid to empirical studies of relocation at micro level (Van Dijk & Pellenbarg, 2000; Targa et al., 2006; Brouwer et al., 2004; Mariotti, 2005). This is probably due to the difficulty of collecting complete individual data on firm migration.

This paper wants to contribute to this empirical literature on the relocation of firms. Our curiosity regards the influence of company and territory characteristics on the probability of moving away from a municipality. In particular, we analyse the migration determinants of firms relocating within Poland.

Firm relocation is a particular form of locational adjustment to changes in markets, environmental regulations and technological progress (Pellenbarg et al., 2002). There are two forms of relocation: complete or partial migration. In this paper, we take into account only complete relocation of firms, which implies the movement of an establishment from address A to another one B (Schmenner, 1980; Brouwer et al., 2004).

The main goal of the paper is to identify push and keep factors for firms, which relocated in one of the five metropolitan areas of Poland (Warsaw, Krakow, Lodz, Wroclaw and Poznan). Indeed, these areas are currently experiencing a relevant change in their structure, with a high percentage of business movement from central cities to suburban areas.

The proposed econometric analysis exploits the panel structure of the database (2006-2009) and includes well-known relocation determinants, which are considered in neoclassical, behavioural and institutional theories (Brouwer et al., 2004). In particular, we control for the characteristics of the firm, the institutional environment, the characteristics of the agglomeration and the accessibility conditions.

*Urban and Regional Theory, Methodology and Data*

## **DEVELOPING ADAPTIVE CAPACITY: THE CASE OF NOTTINGHAM'S NASCENT BIOTECHNOLOGY SECTOR**

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**David Smith, Nottingham Trent University, UNITED KINGDOM**

**Daniel McDonald-Junor, Nottingham Trent University, UNITED KINGDOM**

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A region's adaptive capacity describes its ability to respond positively to changes and shocks that affect the regional economy over time and take advantage of new and emerging market opportunities from wherever they arise. Central to this idea is the manner in which historic economic strengths or capabilities can be turned to new purposes. This paper provides a case study that uses the concept of adaptive capability as a lens through which to explore the emergence of a notable bioscience based industrial cluster in a city region of the UK and the part that it played in helping to restructure the economic base of the city.

The local economy of Nottingham faced major structural changes in the late 1990s. These changes saw not only the demise of what had at one time been a key industrial sector, but also the departure of two of the city's three principal employers, and the closure of a major research facility owned by a third. The case explores the manner in which capabilities linked to this constellation of firms were redeployed in order to take advantage of new market opportunities. The case places particular emphasis on the contribution of firms, the restructuring of industry sectors and institutional changes that occurred at this time, to the city's adaptive capacity. In the process the case study reveals a notable example of adaptation as the local economy moved away from a previous path of regional and sectoral development, towards a new and yet related trajectory. Central to this process was the purposive re-tasking of physical assets and the mobilization of knowledge assets that were the legacy of one of the city's historic industrial strengths.

The paper then considers the wider relevance and applicability of this model of bioscience based regional development to peripheral regions outside the historic heartland of UK bioscience in the 'Golden Triangle' of

the South East of England. Data on bioscience clusters, business incubators and associated institutions in other peripheral regions is utilized in order to assess the feasibility of replicating the Nottingham model elsewhere.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **THE CHALLENGE OF BUILDING CAPACITIES FOR ENHANCING ENDOGENOUS POTENTIAL FOR LOCAL DEVELOPMENT IN NON-CORE REGIONS**

**Paolo Rosso, SIGN Sustainability Innovation Governance Network, ITALY**

**Alberto Bramanti, Bocconi University, PAM Department, ITALY**

The crisis affecting local areas – specifically in non-core regions – largely depends on the specific conditions connoting such areas (Fratesi, Rodríguez-Pose, 2014). The global downturn which has stricken European regions has shown a wide territorial variance according to the endowment of specific local assets: what scholars briefly refer to as ‘territorial capital’ (Camagni, 2008; Bramanti, Ratti, 2014). But referring to ‘territorial capital’ the geographical grain matters. How local a ‘local area’ should be is an open question, frequently resolved on an empirical ground rather than on some clear-cut theoretical dimension. Regional (local) economic development is about thinking global while acting local and the boundaries of the policy units should be ‘large enough to matter and small enough to care’ (Stimson, Stough, Roberts, 2006).

Rooted in this approach, the capacity of local areas and their own socio-economic systems to be ‘resilient’ against the impact of external changing conditions has been evidently highly variable from local area to local area according to a quite large number of determining factors, including endogenous as well as exogenous ones. Among the first set (endogenous factors) it is worthwhile to refer to specific strengths and weaknesses stemming from local society and economy that determined, on the one hand, the local impact of the crisis and on the other hand the ‘resilience’ of the system, i.e. the capability of the local system in itself to react to exogenous shocks as well as more progressive structural changes without losing its defining features (*genius loci*). Relevant examples of these endogenous factors are surely: human capital endowment, tourism attractiveness, the presence of a dynamic and innovative entrepreneurial culture, the quality of local civil society (civil associations, NGOs, etc.), the quality and policy style of local government (OECD, 2009).

Among the second set of factors, the exogenous ones, we are interested in some influencing factors directly affecting each local context, these are elements depending on the larger geographical scale (European, national and regional), and on the kind of interactions that local community has established with the ‘global’ context, in terms of exchange flows, information networks, openness to external assets, etc.

Among the most relevant factors determining the own capability of a specific area to cope with development challenges and to pursue a sustainable path, we will first of all consider human capital, i.e. the mix resulting from blending together skilled–people’s endowment, local governance and the degree of mental and behavioural openness of local actors (government, enterprises, and civil society) towards innovation (OECD, 2014).

As evidence from a number of cases shows, local communities demonstrate an highly variable attitude to adapt and react to the change (OECD, 2006; 2013). In most cases the awareness of their own ‘*genius loci*’ and the resilience towards the crisis are weak and, in any case, largely related to skills, competences, idiosyncratic assets, and the ability of the local community to act as a system.

On the basis of the evidence drawn from some Italian and Latin-American cases, the paper focuses on the human capital and the need of build specific capacity at local level, and presents a first insight and reasoning on the different factors motivating such local variable resilience response. In fact it results that the capacity to adapt to change, pursuing at the same time a long term sustainability perspective in non-core areas, is highly biased by the human capital endowment and ad-hoc locally tailored capacity building policies are needed (OECD, 2009). Eventually the paper will offer some concluding remarks and will raise some still open questions concerning viable options aimed at strengthening human capital in non-core areas also suffering for the ‘brain drain’ phenomenon.

**GREEN CONNECTIONS: ECO-ENTREPRENEURSHIP, KNOWLEDGE SOURCING AND STRATEGIC BUSINESS COOPERATION FROM RURAL LOCATIONS**

**Grete Rusten, University of Bergen, NORWAY**

**Helge Lea Tvedt, University of Norway, NORWAY**

The international debate about innovation systems has often over-emphasized the role of clusters. This has been done without addressing the complex dynamics in the way firms are seeking for strategic important knowledge sources as well as forming business alliances linked to the introduction of these products to the market. How firms outside geographical clusters obtain knowledge is a main focus in our paper addressing questions about alternative sources and organizational arrangements, search strategies and geographical range for potential suppliers linked to green technology development. This also concerns the way firms organize knowledge sources in project teams (bundling). These strategies including the question of location can be formed by an interest to enjoy the rural living and supporting a region and its industrial development.

Based on a multiple-case study approach, this paper scrutinizes three eco-entrepreneurship firms located in rural Norway that have succeeded of forming a promising business with international potential despite lack of nearby resources. The empirical evidence innovation and business performance erodes the importance of being geographical clustered. Forming alliances across fields of industries is in this study seen as quite valuable for the development of green technology and of mutually interest to the collaborating parties. The findings show that a small, informal and rather egalitarian economy represents a clear advantage to forming strong alliances that eventually further stretch to sources outside the country. Part of the communication is non-market information exchange formed by trust and reciprocity.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

**UNDERSTANDING THE SPATIAL ARTICULATION OF FIRM FUNCTIONALITY: FROM REGIONAL PRODUCTION SYSTEMS TO SCALAR NETWORKS: EVIDENCE FROM THE ENGLISH WEST MIDLANDS**

**Jacob Salder, Birmingham City University, UNITED KINGDOM**

This paper examines the extent and nature of firm's critical networks and how these integrate into established sub-national political-economic units. Recent developments in economic governance have seen a continued and evolving interest in sub-national policy units, progressing from regional forms to those focussed on notions of city-regions or core-periphery relations. This has run alongside a growing debate on the relational turn and increased interpretation of the economy as constructed through networks, flows and interspatial relations in place of singular and bounded models. In response to this, the city has been positioned as a nexus for global-local transfer and critical juncture linking firms to localities through externalities both tangible and intangible. City-regions however remain a partial model for understanding economic geography; whilst the city displays dynamic and evolving tendencies, these tendencies are similarly present within firms. Questions therefore remain around the extent to which the core-periphery can accommodate the disparate needs and practices of firms and industries, particularly those considered historically and geographically peripheral. To examine this relationship, this paper considers the area of Southern Staffordshire, a peripheral part of the Greater Birmingham and Solihull city-region within the English West Midlands. Whilst considered a peripheral location within its designated political-economic setting, Southern Staffordshire represents an integral location in terms of the resilience and transition of a traditional manufacturing industry as part of a national strategy for spatial and sectoral economic rebalancing. Focusing on manufacturing and manufacturing service firms, the paper examines the spaces of key functional scales in which firms operate and their relationship to the city-regional model. It proposes a spatial model of firm functionality with scalar and temporal dimensions through a broadly dispersed set of spatial networks which political-economic units only partially represent.

**SERBIAN RURAL EXODUS – CASE STUDY OF ZAPLANJE REGION**

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Socialist Yugoslavia accepted the strategy of centrally governed and rapid industrialization, which strongly changed the image of rural area, since it was mainly based on the employment of unskilled and semi-skilled labor from the villages in Serbia, as well as in other republics of the former common state. Rural areas were left out of focus in the socialist development trajectory. In Serbia, millions of inhabitants were moved from villages to towns and cities, causing massive rural depopulation. Some rural regions experienced very dramatic population loss due to the rural-urban migration such as the case with Zaplanje region, situated in proximity to the city of Niš, the major urban and industrial centre in southeastern Serbia. Socialist industrial growth and urbanization of Niš, virtually drained the population from adjacent Zaplanje region. However, the beginning of last decade of 20th century brought the civil wars in Yugoslavia and Serbia entered transition phase as economically devastated country. Industrial giants, including electronic and mechanical industry of Niš, that powered the state economy just collapsed. People that left their rural houses in Zaplanje during the socialist time, looking for a better life in a city, found themselves trapped in suburban houses, unemployed and with uncertain future. In this paperwork, we will analyze the depopulation process in Zaplanje region that witnessed the most intensive population loss in Serbia since WWII. Based on official statistical data and field work information, we will clarify pace and scale of depopulation process in this region, together with its causes and consequences. Zaplanje region, unlike some other depopulation rural regions in Serbia, is specific by its favorable position, in proximity to urban centre and out of hardly accessible mountain areas. According to these preconditions, instead of developing some suburban and urban attributes, Zaplanje is transforming into economical distanced periphery. The main goal of this research is to perform quantitative based typology of rural settlements in Zaplanje as the starting point for some future revitalization strategies that have to recognize the local heterogeneity and different development opportunities for the region settlements.

*Local and Regional Economic Development and Planning*

**GROWTH ASPIRATIONS AND THE EFFECTIVENESS OF REGIONAL INNOVATION POLICY**

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The research on growth aspirations of economic agents is not very extensive compared to the large body of literature in industrial economics which focuses on explaining realized firm growth. The analysis of realized firm growth is often embedded in the context of entrepreneurship, job creation in new firms vs. established firms, and innovation. At least implicitly it is postulated that economic growth at the firm level is not only feasible but also desirable and desired by economic agents. But can the assumption that growth aspirations which are strong enough to warrant firm growth and growth on the macroeconomic level exist be justified empirically?

In the public discourse the desire for economic growth is discussed ambiguously: e.g., economic growth may cause environmental and social problems which might offset its positive impact on economic wellbeing; or: the pursuit of growth is considered to require too much effort. If such concerns prevail, economic growth could become undesirable at least by a sizeable number of economic agents. For regional economic policy it is relevant if economic growth aspirations in many of the region's firms are weak, because growth-oriented endogenous regional economic policies would then become ineffective. In particular, for regional innovation policy to become effective the existence of growth aspirations and knowledge about the influencing factors of growth aspirations is important.



We investigate the growth aspirations of managers and firm owners with a sample of 160 persons from the regions of Salzburg and Südtirol/Alto Adige. We expect a strong pro-growth selection bias in the sample because respondents spend time and money for participating in a post graduate management education. Respondents are asked about their growth aspirations concerning the firm which they are a manager of or which they are owner of, measured in terms of employment growth. Then we analyze the impact of respondent-specific, firm-specific and market-specific characteristics on the growth aspirations of respondents.

We find that growth aspirations are negatively associated to respondents' age, that they are positively associated with respondents' level of education, and that men's growth aspirations are stronger than women's ones. These findings are in line with results of existing studies. We also find a significant share of respondents have no desire for economic growth. Previous firm growth, expected market growth, the existence of economies of scale, and the economic efficiency of the current firm size influence growth aspirations. Differences in growth aspirations between the two regions can be partly attributed to different characteristics of the regions' economies.

*Local and Regional Economic Development and Planning*

## **COOPERATIVE GROWTH: SPILL-OVER EFFECTS AND SPATIAL DYNAMICS IN THE EMERGENCE OF NEW COOPERATIVES IN GERMANY**

**Christoph Schnabel, GERMANY**

Cooperative enterprises have a positive impact on regional development, both from economic and a social perspective. In agrarian sectors with a critical proportion of cooperatives volatility in prices is reduced. Yet also in the field of energy supply and electricity grids cooperatives have had positive effects on decentralized markets. At the same time they by and large built upon the financial participation of private citizens and are inclusive in their structure, thus consequently produce positive externalities for civil society in the region they operate (Schreuer and Weismeier-Sammer 2010).

Over the past 10 years an increase of new cooperatives could be observed. In Germany these were mainly in the energy sector. Yet also the creation of cooperatives in other sector such as healthcare, service industries can be accounted for. Despite the increase in new cooperative the total amount of approximately 5.643 cooperative in Germany make up of less than one percent of all the companies in the Federal Republic. More so the patterns of cooperative foundations and the foundation of companies do not coincide (Schnabel 2015).

The literature on cooperatives and regional development has brought about significant theoretical and empirical research on the positive impact of cooperatives for economic development (Alscher and Priller 2007). Nonetheless there remains a research gap with respect to variances and patterns of cooperative initiation and foundation.

Drawing on an empirical analysis the argument is put forward, that knowledge spill- overs are a decisive factor in the foundation of cooperatives. Based on the historic data of the past ten years a strong correlation could be made out with respect to the formation of cooperatives in relation to the presence of formerly established ones. More so other factors such as the population density, the general start-up rate and urbanity or rurality did not implicate significance for the foundation of cooperatives.

The empirical and theoretical implications are therefore twofold; the often claimed observation of urban centers as hot-spots for start-ups does not apply for cooperatives (Brixy, Sternberg and Vorderwülbecke 2011). At the same time also rural areas do not have generic pre-conditions for the founding of cooperatives.

The case of German cooperatives also has implications to cooperatives in other European countries. As similar settings can be identified in the functioning and performance of cooperatives (Chloupková 2002) it can be argued that a similar pattern can also be identified in other European regions.

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**Walter Timo de Vries, Technische Universität München, GERMANY**

Transnational rural and urban regions in Europe currently face a mix of socio-economic and environmental challenges, including unprecedented cross-border migration, climate change related phenomena such as floods and droughts, and significant changes in the urban-rural landscapes. Addressing these problems requires transnational cooperation and coordination.

This paper evaluates different forms of transnational cooperation and coordination, with a particular emphasis on projects in the Alpine regions. There are two goals: to gain a better insight in the suitability of cooperation and coordination models in relation to thematic context; and, to determine if one specific model seems particularly appropriate for the transnational cooperation in the Alpine region.

The typology of de Vries (2013) theorizes differences between cooperation and coordination styles. It differentiates 4 primary coordination forms (Locus, Eventus, Modus and Causus), which each have an effect on cooperation instruments, and on anticipated results. This typology is useful to classify current and future transnational projects, and to compare their anticipated and actual outcomes based on their coordination aims. Such an analysis then permits a statement on current and future needs of joint cross-border projects in alpine regions.

The specific cases which are compared are retrieved from existing online databases (INTERREG Bavaria/ Austria and ALPIN SPACE) and project reports from Austria and Germany. Statistical and qualitative data on those projects are collected using the empirical operationalization indicators from the coordination typology. These include both basic conditions of the projects (such as funding requirements, initiators and participants) as well as relevant economic, social or environmental aspects. We validated our findings with additional relevant literature.

The number of projects alone indicates how dependent the region is on transnational cooperation. The type of coordination is however strongly related to the domain or theme of the project. Plausible reasons for this variety in coordination styles include the remoteness of certain locations of specific projects, lack of local financing or capacity amongst the initiators and stakeholders. Whereas current transnational EU funding programs primarily emphasize a 'Locus' type of coordination this may not enable local development in remote regions or only serve particular thematic fields of development and networking beyond the border.

The synthesis suggests that a 'Locus' type of coordination, which emphasizes implementation of strategies by prescribing national or international standard criteria and indicators, is dominant in most environmental and tourism transnational projects. In contrast, a 'Modus' type of coordination, which emphasizes coordination implementation through monitoring specific reachable goals, is more dominant in transnational projects in the field of education and labor market. Finally, a 'Causus' type of coordination, driven by implementation strategies emphasizing societal relevance, is employed for the collective promotion, infrastructure and culture of the region.

This finding is significant for coordinating future projects (especially in the field of climate change, globalization and demography). Recognizing that a variety in coordination styles exist and that these have different effects on anticipated outcomes enables better formulation of funding and incentive strategies for regions.

**CROSS INDUSTRY INNOVATION CAPABILITY FOR NEW PATH DEVELOPMENT**

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**Elisabeth S. Hauge, University of Agder, NORWAY**

**Nina Kyllingstad, University of Agder, NORWAY**

**Natalia Mæhle, Bergen University College, NORWAY**

The European economy has not been able to come up to speed after the financial crisis in 2007-08. Norway, with several specialized regions, seem to have represented an exception, mainly because of its profitable and expanding oil and gas industry. However, specialized regions are especially vulnerable to industrial decline because of the low potential for endogenous regional renewal through regional branching. A recent decrease in oil prices presents a challenge in regards to the dependency on the oil and gas industry, and a pressing need for new path development has emerged. This paper focuses on new industrial path development and the implications for innovation policy in specialized regions. This paper argues that if a critical mass of firms in a region perform cross-industry innovation this can lead to new path development on a regional level. The authors use the model of innovation capability (Lawson and Samson, 2001) as a theoretical background and adjust the model to cross-industry settings. As a result, an analytical model is developed to explore the relationship between dominating knowledge bases (i.e. analytical, synthetic, and symbolic), elements of cross-industry innovation capability and new path development on a regional level. The model is discussed in light of empirical studies from the regions of Agder, Rogaland and Hordaland in Norway. These regions have been significantly impacted by a decline in oil prices, which represents a radical departure from the past ten years of unprecedented investments and activity. Consequently, the three regions have gradually become more and more dependent on a single industry. Such dependency is risky in itself, and in this case even more so because the fate of this industry is determined outside the region. Recent development has led to downsizing of many firms, rising unemployment numbers, and the regions are in need of new industrial activity to replace the loss of jobs in the oil and gas sector. Thus are these regions highly relevant for studying the mechanisms or lack of mechanisms for new path development. This paper contributes to the ongoing debate of new path development in several ways. Firstly, it provides an analytical model to deepen the understanding of new path development in specialized regions. Secondly, it explores the role of Cross Industry Innovation Capability (CIIC) in new path development and finally it discusses the role of innovation policy in relation to building CIIC in firms.

**RESISTANCE AS POLITICAL PARTICIPATION IN THE POST-POLITICAL REGION**

**David Scott, University of Karlstad, SWEDEN**

Characterizing features of the Swedish political system, especially at the local and the regional level, are the highly stated ambitions of political participation. In Sweden there have been attempts to increase political participation through “democratic innovations”, which indicates pluralism in the forms of political participation. However, there is a vast literature criticizing the lack of a concrete political content, meaning that liberal democracy is unable to offer political conflict dimensions. The content of politics is largely about consolidating a neoliberal model of political governance, thus leading to a state of “post politics” or “post democracy”. An expression for this is the implementation of “new public management” which have implied the marginalization of politics in favour of market solutions. This development has been seen as the hollowing out of democracy since issues of power and conflict, the very essence of politics, have been marginalized from the political agenda. With Chantal Mouffe’s (2005) distinction of “the political” and “politics”, it can be claimed that “politics”, in the shape of the institutionalized forms for political practice, put up boundaries for what political issues that are included and excluded on the political agenda. This could stand in contrast with the actual desires of “the political” and puts up boundaries for what kind of political participation that is possible.

Starting with this theoretical framework, the aim of the PhD project is to explore how people (citizens, activists, established politicians, public servants) position themselves against a post-political rationality from a regional perspective. One way of conceptualizing the concept of positioning is to think of it as resistance. The act of

resistance is a widely researched subject, but an interest guiding this project is how resistance against a post-political rationality comes to expression from a regional perspective. Some issues of interests include: How do resistance come to expression through spontaneous non-intentional micro-practices in regional organizations? Under what circumstances do resistance destabilize and reproduce post-political rationalities? Can practices of resistance lead to a re-politicization of the regional level?

The interest guiding the PhD project is to study the potentials of resistance to the post-political rationalities as a form of political participation in the regional context. In line with this, a PhD project which emphasizes other forms of political participation can offer an alternative to studies focusing on traditional forms of political participation. Furthermore, the regional focus can hopefully offer an opportunity to study this participation from a city-region perspective.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

## **IMPACT OF POLITICS ON THE DEVELOPMENT OF NON-CORE REGIONS IN EGYPT**

**Yehya Serag, Ain Shams University, EGYPT**

Regional development of the peripheral and non-core regions has always been a pressing issue in Egypt. In the recent past several regional development plans were made for the non-core regions; yet were never realized in an appropriate way. Following the Arab Spring revolutions in 2011 and the turmoil that is taking place in the Middle East since then, developing the non-core and peripheral regions became a necessity to resist regional challenges such as terrorism. Egypt is currently facing a tangible menace and threat that usually infiltrate its borders from the East and the West in the form of terrorist activities and illegal smuggling and trafficking through these borders. Taking into consideration that the peripheral regions to the West (Western desert region and oasis) and to the East (Sinai Peninsula) are of a very low population density, the intention to establishing solid regional and economic development in them seems challenging. This research intends to briefly shed the light on the previous regional development attempts in such regions , before reviewing and analyzing the contemporary regional development attempts. The new attempts might vary in approach, for example in the west; the intention is to induce regional development through agricultural development, an approach that was once applied in the past with questionable outcome. While in Sinai in the East, the security question poses itself as a main issue that should be tackled , in such a way that the intended regional development in that region is subject to the realization of safety and security and also once realized would act as a preemptive action towards future threats in the region. The study would examine how different the intended development plans are from their preceding ones, and whether they have a chance to get realized or would also fade away. The study will also examine the impact of the political situation and the political will in formulating the new regional development plans and whether these plans are finally thought of as outside the box or would still carry the traditional old flaws of the Egyptian regional plans. The paper will start by identifying the non-core regions that are subject to this study. A brief analysis will then be made on the previous regional development attempts for these regions. This is followed by explaining the current contextual settings and regional threats since the Arab Spring revolutions and their spatial impacts and settings in these regional. The current regional development plans that are realized as a reaction to the ongoing situation will be discussed in line with general political intentions and will. Finally a conclusion should be made that would illustrate whether the new regional development approaches will succeed in achieving what their preceding ones failed to realize.

**GRAPHIC SYMBOLS AND PLACE IDENTITY: CASE OF USE AND PERCEPTION OF MUNICIPAL EMBLEMS BY MUNICIPAL REPRESENTATIVES IN THE LIBEREC REGION (CZECHIA)**

**Miroslav Šifta, Charles University in Prague, Faculty of Science, CZECH REPUBLIC**

**Pavel Chromý, Charles University in Prague, Faculty of Science, CZECH REPUBLIC**

Paper analyzes the role of graphic symbols in the local representation and in process of place identity formation. The extent of graphic symbolism utilization by development actors in the region, its importance for the image formation of the place/municipality from the point of view of development actors and assessment of the degree of identification with the municipal characteristics among the local population are evaluated, based on the results of the corresponding survey targeted at municipal representatives. Municipal symbols tend to (and also should) have a local representative function. These should emphasize local specificity, uniqueness. Municipal emblems have also a potential to play role of connecting, mediating and activating factors also on higher than local level.

Municipal emblems are still not used enough and in the right way by actors of municipality representations. These are often misunderstood and deemed unimportant for the local development.

*Innovation, Agglomeration, Evolution*

**GREEN WAVES: CO-EVOLUTION AND INSTITUTIONAL ENTREPRENEURSHIP IN THE WESTERN NORWEGIAN MARITIME INDUSTRY**

**Svein Gunnar Sjøtun, Bergen University College, NORWAY**

In a world with increasing environmental problems it is imperative that firms and industries come up with sustainable innovations in order to bring about a 'green shift'. This is quite pertinent within the maritime sector, which experiences challenges related to emissions and a relative persistence of fossil-based technology. The Western Norwegian maritime industry has approached these challenges through a regional reorientation to 'maritime cleantech', materialised—among other things—through the industrial cluster NCE Maritime CleanTech. As such, the region has been the arena of several interesting and novel innovation projects (NCE Maritime CleanTech, n.d.) within Liquid Natural Gas (LNG), battery, aluminium and hydrogen technology, as well as design, though it must be added that these innovation projects have been a 'function' of formal cluster cooperation, but also of cooperation outside the formal cluster.

This reorientation has, I argue, come about as a consequence of several factors. It has been lobbied heavily for by certain actors in the region, thus implying that a great deal of agency has been instrumental for the emergence of the industry. These central actors have lobbied heavily for the creation of a domestic market for green ferries as well as advantageous national economic and environmental regulations for the maritime industry. However, a green shift is also still in the making, as innovation and commercialisation of green technologies is still somewhat hampered by a disadvantageous national regulatory regime. This is not to say that the Norwegian government is not acknowledging the importance for a green shift in maritime sector (Norwegian Ministry of Trade Industry and Fisheries, 2015), but rather that it so far has had limited success in implementing green strategies for transition.

Using theories from evolutionary economic geography (Boschma and Frenken, 2006, Martin and Sunley, 2006) I aim to explain how history has had implications for current green innovation processes and projects in the region. I also deploy theories of co-evolution (Essletzbichler, 2012, Foxon, 2011, Murmann, 2003) to explain how a transition to a low-carbon society must involve co-evolution between different systems (Essletzbichler, 2012, Foxon, 2011), such as for example actors and technology co-evolving with national policy institutions (Murmann, 2003). Finally, acknowledging the importance of agency in the case of the industrial reorientation, I deploy a theory of institutional entrepreneurship (Garud et al., 2002, Garud et al., 2007) to explain how actors aim to create their own "initiatives to shape institutions as they emerge" (Garud et al., 2002: 196). This theoretical

perspective, I argue, gives primacy to a view on institutions being created bottom-up (Sotarauta, 2015) and therefore harbours a strong agency view. The paper, however, is not a call to dismiss the importance of structure on agency. It places itself 'in the middle' of the agency-structure debate, appreciating the theoretical standpoint of Giddens' (1984) duality approach. Nevertheless, certain actors within the maritime industry have seemingly been vital in establishing a strong case for regional reorientation.

### *Entrepreneurship*

## **THE SIZE OF LOCAL ADMINISTRATION AND THE LEVEL OF ENTREPRENEURSHIP**

**Tomasz Skica, University of Information Technology and Management in Rzeszow, POLAND**

**Ruslan Harasym, University of Information Technology and Management in Rzeszow, POLAND**

**Jacek Rodzinka, University of Information Technology and Management in Rzeszow, POLAND**

We investigate the relationship between the size of local administration and the level of entrepreneurship, across self-government units in Poland. Our study aims to answer the question, if the size of public administration at the local (municipal) level has positive or negative impact on setting up new businesses.

The issue tackled in this article is important for several reasons. Firstly, there are not many contributions that link entrepreneurship with size of local self-government administration. Secondly, issue of entrepreneurship determinants remains topical and not fully explained, while new firms creation remains the key aspect of development of local economies. Thirdly and finally, in this text, we propose a new approach to traditional attempts of quantification of self-government administration's size. The article fills a gap in research on relationship between entrepreneurship and size of self-government administration and reorients approaches that exists in literature, away from effects of authorities' activities in the field of entrepreneurship support, towards the size of self-government administration, as the factor influencing new firms' formation.

Considering above issues, this article presents results of research on influence of size of municipal self-government administration on the level of entrepreneurship. Quantitative data came from collections of Central Statistical Office (GUS), Local Data Bank (BDL), Polish Ministry of Finance and the Internet portal [www.mojapolis.pl](http://www.mojapolis.pl). Calculations were conducted based on these sets of data, and were carried out with an application of linear regression models. In examined models, dependent variable that was adopted by the authors was the number of newly registered business entities divided by the size of working age population, whereas independent variables were: 1) number of university students per population; 2) number of businesses per population; 3) working age population per population; 4) pre-working-age population per population; 5) expenditure on civil servants' salaries per population; 6) expenditure of municipalities on administration per population. In the basic model, authors omitted categorization by type of municipalities (urban, rural, urban-rural), while the estimation related to the entire population of local self-governments. Besides of variables used in the basic model, additional models utilized a number of additional independent variables. In particular, we also included expenditure of municipalities over population. Authors also made estimations in relation to urban municipalities only.

In the basic model all variables were found to be statistically significant. The density of existing businesses (per population) had major impact on number of newly registered businesses. In addition, the dependent variable was also significantly influenced by the following independent variables: number of people in post-production age over population, and number of university students over population. Model estimation identified a negative effect in case of two independent variables, i.e. population in pre-working age over population, and - what particularly interests authors here - expenditure on salaries of civil servants over population.

The Model concerning exclusively urban municipalities proved that greatest impact on dependent variable had, similarly to basic model, the variable representing number of businesses over population, and in terms of the significance of the effect, it was followed by the number of people in retirement age over population, and number of students in higher education over population. Variables representing pre-working age population over population, and expenditure of municipalities on administration over population turned out to be

statistically insignificant. In contrast, negative effect on dependent variable was identified in relation to expenditure on civil servants' salaries over population.

Therefore, conducted calculations suggest that size of self-government administration at municipal level has negative impact on variable entrepreneurship. Similar conclusions, although referred to the higher level of public administration and to the total public administration of country, are formulated by: Nyström (2008) who proves that smaller government sector increases entrepreneurship, Bjornskov & Foss (2008) demonstrating that large public sector tends to decrease entrepreneurship as well as Aidis, Estrin & Mickiewicz(2012), who state that there is a significant and robust negative relationship between the size of state sector and entrepreneurship. Our estimates are consistent with the hypothesis that size of expenditure on salaries of civil servants has negative impact on level of entrepreneurship. In turn, second key independent variable that was estimated in additional models- spending of municipalities on administration/population - remained statistically significant. Estimation of both models allows to draw conclusion, according to which increase in employment in administration (measured by level of expenditure on salaries for people employed in municipal offices) turns out to be unjustified from the perspective of its impact on entrepreneurship. Increase of spending on salaries of already recruited officials (i.e. channel of growth of total expenditure on salaries of civil servants), also appears to be unjustified. As confirmed in calculation, increase in expenditure on salaries, i.e. current expenditure (regardless of whether it is caused by an increase in employment or increase of salaries of current workforce), not only does not stimulates, but negatively affects the level of entrepreneurship. This position corresponds views of inter alia Nica (2014), who referring to total current expenditure of public administration of a country (i.e. whole general government sector) proves that entrepreneurship is negatively correlated with shares of general government final consumption expenditure, as well as Islam (2015) who says that there is negative relationship between total government consumption expenditure and entrepreneurial activity. However, the novelty and importance of our results is in suggesting that the negative effects are not necessary resulting from fiscal channels but from the labour market channels. It may be that it is the direct competition on the labour market and attractiveness of office jobs that increase the opportunity cost of engaging in entrepreneurship driving down its local level.

\* The article was prepared based on results of the project that was financed from the funds of National Science Centre given by decision with number DEC-2013/11/B/HS4/01022

*Urban and Regional Sustainability*

## **GROWING FOOD, NURTURING COMMUNITY - THE ROLE OF COMMUNITY GARDENS FOR CITIZENS' WELL-BEING**

**Lana Slavuj Borcic, University of Zagreb, CROATIA**

**Marin Cvitanović, University of Zagreb, CROATIA**

A lot of research was done regarding the phenomenon of community gardens, but very few explored the reason for the emergence of community gardens in post-socialist Europe.

This research was conducted in the city of Zagreb, Croatia. Community gardens have been a well-established practice in Zagreb for quite a while now. Their beginnings can be traced to the increased influx of population during Zagreb's rapid industrialization in the late 1970s and 1980s and the building of new apartment blocks that accompanied it. Those first gardens started springing up spontaneously on unused land near the new buildings, a result of the new tenants' own initiative. In 2013 a new city policy named "Urban Gardens", which regulates allotments of urban public parcels to the city dwellers interested in such projects, was adopted. This policy allowed a larger number of city residents to participate in community gardening actions.

The aim of this research was to produce a rich, in-depth description and understanding of the community gardens in Zagreb. Qualitative methodology was employed by using semi-structured interviews and non-participatory observation. The semi-structured interviews were conducted with urban gardeners, activists from the organizations (which actively participated in actions to jump start the urban gardens project) and with representatives from the Department of Agriculture and Forestry. Thirty interviews were conducted during the

second half of 2014, each lasting between 45 and 90 minutes. The questions in the interviews were related to who participates in community gardening, how gardens are started, maintained and organized, the gardeners' motives, and benefits of gardening. Some of the research results will be presented with emphasis on the importance of community gardens for growing healthy organic food and their influence on the well-being of individuals and local community. Results show that no matter what the main reason for gardening is (reaffirmation of tradition, romantic return to the nature, need for healthy food, economic reasons), the end result of having the garden is always the same – a great satisfaction for all users. It can be stated that community gardens are a precious element of the urban space which make the life in the city better and more humane. They contribute to the sustainable urban development and are important for the issues of spatial justice such as citizens' right to green public areas, right to recreation, right to healthy food and to healthy environment.

*Special Session: Beyond Growth – Regional Development and Planning in Non-Core Regions*

### **EXO- AND ENDOGENOUS GROWTH FACTORS IN CENTRAL AND EASTERN EUROPEAN COUNTRIES IN THE PERIOD OF ECONOMIC PROSPERITY AND CRISIS**

**Maciej Smetkowski, Centre for European Regional and Local Studies (EUROREG), University of Warsaw, POLAND**

The question of factors driving regional development occupies a prominent place in regional studies due to the opportunities for practical application of such knowledge in formulating and implementing regional policies. The difficulties in finding an unequivocal answer to the question about the key determinants underpinning growth arise mainly from the need to identify the period to be analysed, which can – to put it simply – be long or short. Adopting the assumption on the relevance of such a distinction allows to formulate the hypothesis claiming that while endogenous factors are of crucial significance in the long-term development of regions, regions dependent on exogenous factors may attain a competitive advantage in the short term. On the other hand, if such external factors are not strongly embedded in the local environment, such a region, in the long term, should take into account the risk of capital outflow and the need to undertake economic restructuring, given the mobility of production factors. The differences in the growth factors may also arise from dissimilar development processes occurring in different types of regions identified on the basis of structural dissimilarities. In particular, it can be expected that the core regions will build their competitive advantage on endogenous factors, whereas peripheral regions will be more dependent on exogenous factors.

In this context, the following aspects should be particularly highlighted while analysing regional development factors in the CEECs. Firstly, the systemic transformation, despite its substantial progress justifying the hypothesis of the convergence of development processes with highly-developed countries, can still be evaluated at the regional level in the short rather than long term (also due to quite short series of statistical data). Therefore, it can be expected that the role of exogenous factors in the development success of regions should be more prominent than that of endogenous factors. Secondly, these countries can still be regarded as semi-peripheral in terms of development level compared to highly-developed countries. In consequence, even the core regions can rely more strongly on exogenous rather than endogenous factors, which will be more likely to provide the foundation for the influx of external capital. Thirdly, extensive disparities in the economic structures across and within countries can result in the growth factors being strongly differentiated in consequence of the structural dissimilarities between the core and peripheral regions. The former should be more prominently included into information economy, which may be manifested by the development of knowledge-intensive services and high-tech industries, whereas the latter should be much more strongly embedded in the industrial, and in some cases, agrarian, development models.

The aim of the paper is to test above mentioned hypotheses taking into account different time perspectives i.e. period of upswing in the years 2002-2008 in the conditions of favourable economic situation globally, but also of positive direct and indirect effects of the CEECs' EU membership and post-crisis period which began in 2008, initiated by the financial crisis in the USA. The research also took account of the differences between metropolitan and non-metropolitan regions. The study was conducted for the NUTS3 level, with the cities included into the surrounding regions in order to eliminate the impact of the administrative factors on the results. The analysis made use of such methods as correlation analysis as well as multiple regression analysis to



control the mutual relationships between the analysed factors. Such an approach allowed for a better triangulation of the results and in consequence for obtaining better insights into the phenomena taking place.

*Urban and Regional Theory, Methodology and Data*

## **FROM BARRIER TO RESOURCE? MODELLING THE BORDER EFFECTS ON METROPOLITAN FUNCTIONS IN EUROPE**

**Christophe Sohn, Luxembourg Institute of Socio-Economic Research, LUXEMBOURG**

**Julien Licheron, Luxembourg Institute of Socio-Economic Research, LUXEMBOURG**

The urbanization of border regions raises the question of the role and significance of state borders. Such questioning has long remained marked by the predominance of classical theories of localization that have depicted borders as barriers and border regions as peripheral areas marginalized from an economic and social development point of view. The gradual lifting, from the 1980s onwards, of constraints on trade, financial transactions, and in some cases, mobility of people, has triggered a renewed vision of borders in which the functions of control and protection are losing ground to those of contact and exchange. Several studies in geography and regional science have contended that opening borders can serve as a resource for the economic, cultural or political development of border regions. If the merit of these works lies in a renewed conceptualization of borders, the empirical validation of these insights still appears to be limited. Indeed, the majority of the aforementioned strand of research is based on case study research designs that say little about the causal effects of different border factors on the urbanization of border regions.

In light of this, the aim of this paper is to model the multiple effects of state borders on the performance of metropolitan areas in Europe. Two research questions are investigated. First, to what extent do border metropolitan areas benefit from or are penalized by their proximity to a border? Second, which aspects related to the border represent an advantage and which represent a disadvantage? To answer these research questions, it is first necessary to elaborate a conceptual framework that disentangles the different dimensions intrinsic to borders and envisage their ambivalent effects on the development of border metropolitan areas. In a second step, a statistical modelling of the effects of borders is performed using the data collected by the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) in 2010 for the study of the metropolitan functions of the major urban areas in Europe. The dependent variable is a composite index of metropolitan functions. The independent variables are twofold and distinguish metropolisation-related variables (9) and border-related variables (10). In total, 124 metropolitan areas are taken into account, including 26 that are located near a national border.

The results highlight the relevance of disentangling the different intrinsic dimensions of borders and considering their ambivalent effects on the development of metropolitan areas. Fifteen out of 26 border metropolitan areas benefit from their border location. This includes the Swiss cases as well as metropolitan areas mainly located in Central Europe. Surprisingly, several cross-border metropolises located in Western Europe do not seem to benefit from their location near international boundaries. When considering specific border effects, a recent opening of the border as a new contact factor and significant differentiation factors (currency, unemployment and corporate tax differentials benefitting the main city) are relevant dimensions of the borders for accumulating metropolitan functions. However, the spatial proximity of the border and its long-standing opening have a negative impact on metropolitan functions.

**A COMPARATIVE CASE STUDY ON CHANGES IN APPROACHES TO SECURING AND UTILISING HUMAN CAPITAL IN TWO NON-CAPITAL REGIONS OF SOUTH KOREA SINCE THE LATE 1990S**

**Taekyung Song, The University of Sheffield, UNITED KINGDOM**

The research is aimed at explaining and understanding the nature of changes in approaches to securing and utilising human capital in two non-capital regions of South Korea since the late 1990s through a comparative case study. In South Korea, facilitating economic growth at the national level by securing and utilising human capital was regarded as one of the most important goals between the early 1960s and the late 1990s. Therefore, approaches in each region of South Korea were implemented for achieving this goal during this period. Since the late 1990s, however, these approaches have been gradually substituted with new approaches by agents in each region including universities, research institutions, techno-parks (TPs) and local governments. Understanding why and how the current approaches have been constructed and substituted for previous approaches could be both academically and practically significant. However, only a limited number of studies on the nature of these changes have been conducted so far.

In my research, clarifying the insufficiently explained aspects of the changes was a main part. Among the non-capital region of South Korea, Daejeon and Pohang were selected to be studied as two comparable cases. Data on changes in approaches to securing and utilising human capital in the two regions since the late 1990s was mostly obtained by interview and secondary data analysis. The data was analysed and interpreted in a qualitative way as follows. First, how current approaches in Daejeon and Pohang have been constructed by agents in the two regions was explored. Next, the data was analysed to obtain insight into whether and how changes in approaches to securing and utilising human capital in Daejeon and Pohang since the late 1990s could be represented as breaks of previous regional paths. The relationship between an influential event in the late 1990s, the Asian financial crisis, and the agents' intention of constructing new approaches was also analysed. Finally, why and how agents have made an intentional effort to obtain financial and institutional independence from the central government for securing and utilising human capital since the late 1990s was examined.

There were two significant findings. One was that current approaches to securing and utilising human capital in Daejeon and Pohang are the result of agents' intentional effort to construct them as alternatives from previous approaches. The other was that agents made an intentional effort to be financially and institutionally independent from the central government for securing and utilising human capital in order to achieve intended outcomes and the effort was helpful.

**PLACE LEADERSHIP: CONCEPTUAL AND METHODOLOGICAL CONSIDERATIONS**

**Markku Sotarauta, University of Tampere, School of Management, FINLAND**

Leadership is beginning to be more and more stressed also in the context of local and regional development. Beer and Clower (2014) conclude their literature review on leadership in cities and regions by arguing that there is an emerging consensus that place leadership is important for economic development. Rodríguez-Pose (2013) suggests that leadership may be the missing factor in our efforts to understand why some places grow and others do not.

It should go without saying that cities and regions cannot be transformed overnight linearly with one 'super leader' who solves all problems and satisfies all interests (Termeer and Nooteboom, 2012) - at its best leadership is a shared effort that is developed over long periods and embedded both in governance structures and informal, often 'invisible' factors that facilitate trusting relationships and collaboration between leaders and other local players (Karlsen and Larrea, 2012). Place leadership is a systemic but not a personal quality (Parkinson et al 2012), and as such it is more about a process and network relationships than individuals only. Leadership is a pro-process, in which socially embedded indirect influence is the core, and hence the need to understand what

individuals do in their specific places to induce development ought to be of interest also in local and regional economic development.

However, there is a need to be aware of the main traps in place leadership studies. These kinds of studies may be compromised by retrospective analyses that introduce causal links between improved performance and skilful leadership practices. This again may lead to overly simplistic 'happy family stories' assuming that micro-level practices might cause better local and/or regional performance more or less automatically (Benneworth, 2004; Legendijk and Oinas 2005; Benneworth et al. 2010; Pinheiro et al., forthcoming). Another trap is that a strong current towards managerial approaches and a focus on people and positions of authority in corporate settings dominates leadership studies, and thus our understanding of the field. There is a need to find ways to study leadership as a process of social influence in the context of local/regional development (Sotarauta 2016). We need to start modestly, however, as in spite of visible progress in understanding urban growth and change, we are still far from identifying the causes of change processes (Storper, 2013), not to mention the role of place leadership.

From the premises outlined above, drawing on the earlier work on place leadership and institutional entrepreneurship, this paper discusses the conceptual and methodological issues related to the leadership study traps, as there is an identified need to reach beyond case-studies as well as studies focusing mainly on formal governance structures and leadership positions.

*Territorial Politics, Metropolitics and Federalism*

## **A CONCEPTUAL CONTRIBUTION TO THE EU MACRO-REGIONS PHENOMENON**

**Theodoros Soukos, Radboud University Nijmegen, THE NETHERLANDS**

Over the past decades there is a growing interest in various 'non-standard' spaces (Deas and Lord, 2006) such as cross-border and transnational regions. In the European space in particular, one shall observe the emergence of 'new' transnational regions such as the EU macro-regions (Samecki, 2009). A basic understanding behind these transboundary spaces is their utility to confront large-scale and scope-specific challenges as well as the coordination of sectoral policies, the search for funding sources, the revitalization of transnational territorial cooperation or even as a 'soft' foreign policy (Dubois et al, 2009; Schymik, 2011; Dühr, 2011; Stead, 2011).

However, given the fact that there is no commonly agreed definition of the concept 'macro-region' (Mirwaldt et al, 2010), the emergence of macro-regions can be linked to several theoretical and conceptual considerations. Initially, macro-regions may be explained by arguments on multi-level governance and shifting governance power (Hooghe and Marks, 2001; Hooghe and Marks, 2003). In the 'rescaling' literature<sup>1</sup>, transformations of politico-institutional structures can be understood through processes of reterritorialization and spatial rescaling. This kind of processes relate to globalization pressures towards the construction of new spaces at various territorial levels according to the reach of the issue under question, may it be functional, political or institutional (Brenner, 1998, 1999; Gualini, 2006; Keating, 2009). From a relational-institutional perspective, the emergence of new regions is a result of continuous social struggle in a process described as process of 'region-building' (Paasi, 2009). Lastly, from a spatial planning view, the emergence of macro-regions can be seen through the concept of 'soft spaces' (Haughton et al, 2010).

This paper aims to contribute to a conceptual understanding of the emergence of new macro-regional spaces by building on theoretical considerations from region-building, rescaling and multi-level governance literature. This conceptual contribution, in a future step, will be tested in a newly emergent trans-national setting, the Adriatic-Ionian macro-region.

**REGIONAL DEVELOPMENT AND FOREIGN DIRECT INVESTMENT IN THE CZECH REPUBLIC: THE UNDERTOW OF HISTORY AND THE EFFECTS OF NATIONAL IDENTITY**

**Anna Soulsby, University of Nottingham, UNITED KINGDOM**

The paper will explore the continuing impact of history on Czech-German relations and the effects of history on national identity and regional development. The paper uses the example of foreign direct investment in the form of an asymmetric joint venture in the Czech Republic to examine the deep emotions under rational economic surface. The empirical basis for the paper is a longitudinal on-going qualitative study of organisational change in the Czech Republic conducted since 1991. In particular, the paper will examine the experiences of an enterprise's managers and other important local actors (e.g. local authority officers and the head of the local chamber of commerce) in a large Czech town who were involved in an international joint venture with a German multi-national corporation. The Czech organization had the advantage of being very attractive for German investors because of its convenient geographical location and its history of having a large ethnic German-speaking populace until 1945.

During the early 1990s the managers of state-owned enterprises were in a powerful position to control (and value) the privatisation projects, to restructure organizations and dispose of assets with very little oversight by inexperienced shareholders or owners. During this period, managers could take advantage of this power vacuum to protect their positions and introduce management practices to benefit themselves. However, the managers of larger former state-owned enterprises were also under pressure from the government to attract foreign direct investment in the form of strategic partnerships from multi-national corporations. But in the case of investment from German companies, some of these organisational experiences were very difficult. They required the Czechs to work in joint ventures with powerful German companies, thus disturbing the deep historical and cultural currents of nationalism (and mistrust) that still exist. A particularly powerful local historical legacy exists on the German-Czech borderlands regarding the forcible expulsion of "Sudeten" Germans after the Second World War. For the Czechs, the experience of working within these joint ventures stimulated narratives, drawing upon the historical stereotypes of German-Czech relationships in order to make sense of the experience of being relatively powerless and open to the forces of globalisation in the new Europe.

Eventually, the German joint venture partners bought out the local Czech company and the international joint venture was dissolved. The town and region has since become increasingly dependent on the German company and its investment, especially since the 2008 economic crisis. At the same time, the presence and increasing economic power of the German company has revealed an undertow of anxiety about its effect on the local economy and distortion of the regional labour market. The paper will explore the increasing local concern that the local area is too dependent on foreign investment. The local authority and chamber of commerce believe that more needs to be done within the region to increase the number of Czech business organisations. They also want to develop strategies to increase the level of local research and development capability in order to attract and retain highly qualified workers and managers.

*Leadership and Governance*

**LEADERSHIP, NEW INSTITUTIONS, AND EMERGING WINE REGIONS**

**Jonathan Staggs, University of Queensland, AUSTRALIA**

Since its inception, the Regional Studies Association has sought to develop inclusive analytic and disciplinary approaches that are appropriate to the regional challenges at hand (Sharman, 1967). Using this as our imprimatur, we use the concept of the organisational field from organisational sociology to help answer the research question: 'How do peripheral regions that lack reputation and resources become legitimate in a global production system?'

Peripheral regions that seek to move towards the centre of a global production field can try to do so by linking a regional identity and narrative with existing and highly legitimate product categories or 'industry recipes'. It is

well understood for example that effective regional branding can lead to competitive advantage and sustained success in attracting tourism, and the successful export of regionally-branded products and services, including products branded by region of origin such as wine, cheese, and olive oil (Rasmussen & Lockshin, 1999). Yet the analytical challenge that presents us is that the trajectory of a peripheral region cannot be isolated from the institutional field in which a region emerges. The efforts to improve the trajectory of the region are not insulated from competitive rivalries. This may include the examination of the efforts of those 'central' actors (Shils, 1961) in a field who might stymie the efforts of peripheral actors to obtain resources and gain legitimacy. We build on insights from Foucault who suggests there are subject positions, or limited spaces to obtain superior advantage. Put simply, as one region is favoured there is the potential that region's success spells the decline in another. This view of fields is consistent with the analytical framework offered by Bourdieu of the organisational field which resembles a battlefield and competing for superior access to resources. Applied to the food and wine industries, we now see central regions seeking to protect the legitimacy of regional brands e.g. Champagne, Parmigiano Reggiano, Torquay, etc through intellectual property laws (Willis, 1993). This raises questions of how many legitimate regions can be developed in one country and in the broader global production system, what explains the success of some regions over others, and why some regions fail to take off.

This paper focuses on the process with which peripheral regions create institutions that confer legitimacy and through this a superior access to reputation and resources. Kasobov (2015) shows the lack of institutions can limit the efforts of a region to compete in a global production field. These include the private sector's inability to resolve resource inadequacies, entrepreneurial passivity, risk aversion, and lack of confidence in government initiatives. New institutions are required in order for peripheral actors to be regarded as legitimate and to compete effectively. The link between institutions and legitimacy is well-understood as institutions can play an important role in fostering entrepreneurial identity at both the individual and regional level. Kibler et al (2014) highlight the need for regional culture to support social legitimacy of entrepreneurship and refer to the role of institutions and organisations that might foster the interactions and norms that support entrepreneurship and regional innovation.

We seek to answer these theoretical questions through a longitudinal case study of the Margaret River wine region in Western Australian. This historic case, drawing on a set of 20 interviews data to provide a chronological reconstruction of a wine region that is now considered traditionally be a central player in the Australian wine industry. We delve into archival data to examine the region when it was still in its infancy and during its coming of age for key markers of regional development and legitimacy. These markers may provide important insights on how institutions are created and capitalised upon when the legitimacy of the region is still being developed. Scholars have well-argued that this process is fraught as multiple stakeholders involved in place branding can conflict and compete (Kasabov & Sundaram, 2013).

This paper offers a number of lessons for regional leadership. We observe how some leaders looked beyond national institutions in favour of international legitimacy. That is, if a region waits for legitimacy to be conferred on it by regional or national institutions it may be suffer at the hands of central actors within its own national industry. Bypassing these gatekeepers and gaining recognition and symbolic resources from beyond can potentially provide important momentum for emerging regions and the creation of new institutions that support superior regional development. This paper also provides insights on norms that sustain leadership networks. The archival analysis reveals some very strong ties in the formation of an emerging wine cluster but norms ensure that conflict is converted into industry learning and firm performance.

*Geo Economy and Geo Politics*

## **THE CROATIAN ISLAND DEVELOPMENT POLICY - AN EX POST EVALUATION**

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Development policy for the Croatian islands was introduced in the late 1990s. It was designed as a top down policy with bottom up elements. The policy approach, main goals and measures were defined by the National

Island Development Program (NIDP) passed in the Croatian Parliament in 1997. The Island Act which specified the measures and obligations on the national and county policy levels was passed in 1999. The Ministry in charge for island development formed an island department and started implementing the Act. Sustainable Island Development Programs (SIDP) prescribed by the Island Act for 26 particular islands and island groups were commissioned in 2003 and accomplished in 2006. The preparation of 13 State Island Development Programs assigned to particular ministries and public utilities was never fully accomplished. One of the main provisions of the Island Act, the Island Annual Program which was supposed to be submitted to the Parliament on yearly basis was prepared not once. The policy was thus set up in an incomplete manner: the implementation body was established but not completely staffed while policy documentation was not completed. On the other hand 200 – 250 mil HRK were earmarked in the state budget every year.

The paper evaluates thus created Croatian island development policy and focuses on internal consistency of policy documentation, legislation and measures that have been actually implemented in the period from the late 1990s till nowadays. As the NIDP was produced without previous institutional analysis an inquiry into the institutional capacity of the state and county bodies responsible for island development is made. It is found that the ministry in charge has been only partially capacitated for the implementation of the NIDP and the Island Act and that necessary horizontal coordination between the numerous relevant state bodies has never been established. Vertical coordination between state bodies, coastal counties and island municipalities and towns has never been established either. Institutional capacity appears particularly low in monitoring and evaluation. As virtually no monitoring has ever been performed, effects of policy measures have remained unknown for nearly two decades (ministerial reports contain only mere results i.e. data on earmarking and spending of the island budget item). The analysis is thus focused on effects of selected measures on development of the Croatian islands. Appropriate methods of evaluation including a survey made towards the end of 2015 amongst island town and municipalities are discussed and used. In the remainder an initial comparative analysis of the Japanese, Finnish and Croatian island legislation is made.

*Climate Change, Sustainability and Mitigation*

## **AUSTRIA'S CONSUMPTION-BASED EMISSIONS: IDENTIFYING SECTORAL ORIGINS AND DESTINATIONS**

**Karl Steininger, Karl-Franzens-University Graz, AUSTRIA**

Greenhouse gas emissions can be tackled at the points of both production and consumption of respective goods. In a world of fractioned climate policy, missing out either of these fields of action leaves an important policy area idle, rendering climate policy inefficient and potentially ineffective. Greenhouse gas emission accounting within the UNFCCC is production-based, thus enhancing production-oriented policy approaches across the globe. Alternative emission inventories propose attributing emissions to the consumers inducing emissions irrespective of where in the world those induced emissions take place. To enable effective consumption-based policy design we first need to understand which products are the most intensive ones in embodied emissions in trade, and where in the world and in which activities their implicit emissions are triggered. We thus here explore consumption-based emissions for one industrialized country, Austria, by using a global Multi-regional Input-Output model which connects consumers in Austria and producers around the world for the years 1997, 2001, 2004, 2007 and 2011. Findings include revelation that: i) the emissions needed to sustain Austria's consumption are 50% larger than those reported by the conventional production-based accounting system; ii) more than a third of national consumption-induced emissions occur outside the EU-28 where none of the EU-caps applies; and iii) the single most important sector abroad where these emissions occur is electricity generation. With the decarbonisation of electricity representing an early option in any NDC climate policy following the Paris agreement, this indicates that consumption-based policies might rank among the most cost-effective ones, when we are concerned with global emission reduction.

**BARON CHARLES VON HÜGEL IN AUSTRALASIA: HIS INFLUENCE ON BOTANY, ART AND CULTURAL INTERACTIONS**

**Laura Stocker, Curtin University, AUSTRALIA**

**Anna Haebich, Curtin University, AUSTRALIA**

**Rebecca Mayo, Australian National University, AUSTRALIA**

**Gary Burke, Curtin University, AUSTRALIA**

We aim to show how an interdisciplinary dialogue about Baron Charles von Hügel can contribute to the future of a transnational world of urban and regional cooperation and sustainability. During the 19th century many European emissaries made expeditions to Australasia in the name of scientific, economic and colonial interests. Our paper explores the legacies and influences in Australasia of von Hügel, an Austrian, aristocrat, soldier, diplomat and botanist. In 1833-34 he travelled through Australia (WA, NSW, Tasmania) and New Zealand collecting and documenting plants and seeds, many of which he planted in his own gardens and sent to museums. He was one of the earliest European botanists collecting specimens in Australasia. Von Hügel's work is an example of an early scientific investigator: a European traveller with Romantic sensitivities, broad research interests, observations, and activities. His well-kept journals provide insights into their experience, motivations, discoveries and influence back in Europe.

Our paper is framed theoretically by the notion of historical epistemology and how von Hügel sought to make sense of the 'strange new world' and the global changes he saw occurring as a natural philosopher. In particular we discuss the role of plants in national wealth and empire building during the 19thC.

In his journal, von Hügel describes plants and where he collected them, allowing us to map his research. We also map the geographical range of plant species named after von Hügel by other botanists. Finally we map the location of collections in museums and trace his gardens from the archives. In our paper, von Hügel's geobiography is represented digitally using Google Earth. Von Hügel also reports frankly his interactions with and reflections on the British settlers and indigenous peoples, which were mixed.

In terms of contemporary critical understandings we examine the possibilities of deconstructing Eurocentric botany. Like other European botanists von Hügel contributed to colonisation by renaming plants and assimilating them into European taxonomies, such as in the botanical name *Alyogyne huegelii*. We contribute to the decolonisation of species' names by showing their indigenous names and relevance where possible. For example *Alyogyne huegelii* was chosen as the emblem of the Apology to Stolen Aboriginal children in Australia because it is found widely across Australia and it is a survivor in harsh environments. We demonstrate how artists use historical information as a means (or tool) to make work in a contemporary context and explore how art draws upon history to reframe the present, or apprehend the present, using Rebecca Mayo's exhibition about von Hügel as an example. Finally we examine the legacy of these types of cultural interactions between Austria/Germany and Australasia and the extent to which von Hügel's insights are still relevant today. Our paper expands understandings of historic relationships between Australasia and Europe, in particular Germany and Austria, at a time when restored relations are now resulting in diverse interdisciplinary research partnerships.

**EVALUATING THE EU FUNDS' IMPACT ON CITIES. GOOD PRACTICE AND CHALLENGES. A META-ANALYSIS**

**Normunds Strautmanis, Ministry of Finance of the Republic of Latvia, LATVIA**

Strong regulatory justification to invest considerable amount of European Union (EU) funds in the field of urban development exists in the EU. Regional Policy is the EU's main investment policy targeting all regions and cities in the EU. € 351.8 billion - almost a third of the total EU budget has been set aside in order support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life.

It is strongly advocated by the Commission that urban areas are the engines of the European economy and act as catalysts for creativity and innovation throughout the Union. But they are also places where persistent problems, such as unemployment, segregation and poverty, are. Therefore the measures concerning physical urban renewal must be combined with those promoting education, economic development, social inclusion and environmental protection. Such an approach of integrated sustainable urban development is anchored by the European Commission.

The Commission reports that until now key achievements of Regional Policy within the programming period of 2007 – 2013 are: 11 050 projects that improved the sustainability and attractiveness of towns and cities, 619 km<sup>2</sup> of area rehabilitated, an estimated 769 900 new jobs were created as well as 3 752 km roads were built and 20 104 km reconstructed.

At the same time, what is the reality on ground? May we speak about integrated (and sustainable) approach to urban development when we speak about EU funds invested in urban areas? And how about those directly envisaged for increasing competitiveness of cities, creating jobs and increasing quality of life of urban dwellers? Does number of jobs created, number of km<sup>2</sup> rehabilitated or number of roads built or reconstructed reflect the achievements of EU Regional Policy by nature, on its merits? And how can we actually measure the impact at the urban level? Which ones are the examples of best practice?

The paper thus is an attempt to apply a systematic analysis on recently finished evaluations in the field of urban development as well as to provide an analysis of its own looking for the best practice in integrated urban investment in Latvia to answer the above stated questions.

Preliminary results show that although there is a strong regulatory justification for the EU funds' investment and the new programming period of 2014 – 2020 is more emphasized on result oriented programming, proper evaluation and impact assessment and even calls for the larger involvement of cities both in the programming and the implementation phase, there still is a part of the way to go until we will be able to speak about effective integrated urban development creating jobs and improving peoples' quality of life. The Commission and thus the member states need to find a balance between top-down and bottom-up approach to the integrated urban development since not always do the cities know which is better for the regional, national or even EU wide development. Even if they know what is best for their own development.

*Climate Change, Sustainability and Mitigation*

## **THE VALUE OF GREEN INFRASTRUCTURES IN URBANIZED AREAS**

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**Roberto De Lotto, University of Pavia, ITALY**

**Giulia Esopi, University of Pavia, ITALY**

The topic of natural resources protection starts to be relevant in Europe during the middle of last century. The first approved directives in environmental subjects ("Birds Directive" 79/409/EEC, "Habitat Directive" 92/43/EEC) provided several shared criteria for community heritage conservation and maintenance and restoration of natural habitats. In particular, the "Habitat Directive" defined the construction of "Natura 2000" network, that consists in special conservation areas, and recognized the importance of certain landscape elements that played a key role in net connections for flora and fauna. Later the European Institute for Environmental Policies developed the construction of a European Ecological Network as policies development for protected and rural areas and as a conceptual and operational framework to pursued at all planning levels. Species and sites protection was not sufficient to ensure an effective contrast to human pressures and to reduce the effects of habitat fragmentation: so it was necessary to construct ecological corridors. These green elements are able to allow the dispersion of plants and animals through natural paths between protected areas. Member States are urged to maintain or, if necessary develop, these elements to improve the ecological coherence of the "Natura 2000" network and to incorporate into their legislation the main aspects of European Directives. Italy involves the National Ecological Network construction through an approach based on the principles of subsidiarity, participation, shared responsibility and integration of environmental policy with other policies. The



ecological network, despite predictions at the national level, taking shape at the regional scale, which has the role to mediate between general abstractness of larger scales and specificities of smaller ones. These issues recognize the importance of green infrastructures in the Regional Development Plan and constitute a guideline for strategic and operational planning (provincial and municipal).

The ecological networks planning on the one hand prevents further human pressure but on the other, often, it is not able to connect the whole territory. Because of the presence of built and consumed areas, it is necessary to act on the urbanized contexts through the creation of artificial and widespread green infrastructures (such as stepping stones), that bring several benefits especially from an environmental point of view (micro-climate regulation, air pollution and noise mitigation, increase of local evapotranspiration, etc.).

The authors, starting from green infrastructures study and their potential, evaluate, through the use of suitable parameters, the environmental value of the artificial punctual elements widespread in already built areas and establish their level of effectiveness within the global ecological system.

*Special Session: Challenges of Regional Development and EU Integration in South East Europe*

## **REGIONAL POLICY APPROACHES IN SOUTH EAST EUROPEAN GOVERNANCE CONTEXTS**

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After the split of the former Republics and autonomous regions from Yugoslavia in the 1990ties, the former federal entities changed their status from being federal regions to sovereign nation states. After more than a decade of nation building, in the early 2000s, most of these new states started to reconsider their national regional policies, primarily as part to the European Union integration process and institutional preparations for future European Cohesion (Regional) Policy.

The main aim of this paper is to analyse and compare the different regional policy formation processes and governance implications in a number of Western Balkan countries, namely Croatia, Slovenia, Macedonia and Serbia. These processes have commonalities in terms of current and future policy orientations towards EU integration, but there are also historic, cultural, social, geographic and other specificities that might be related to institutional traditions as well as more recent political and economic developments. The main research question is: To what extent can contemporary strategic regional planning approaches work in the SEE governance contexts? Additional questions are: What are the particular planning experiences from which the countries in the wider region can learn? And finally, are the new national regional policies formulated in a way to enable better regional governance, i.e. with strong emphasis on implementability of policies, programmes and plans, including monitoring and evaluation systems?

Literature in the field of regional policy, regional planning and governance, and EU cohesion policy will be reviewed in order to define key criteria for the comparative analysis of new regional policy approaches in new SEE nation states. A conceptual model will be developed and presented to encompass the main strategic planning elements of sound policy formulation including situational analysis, stakeholder participation, strategy formulation including vision, objectives, priorities and measures, clear implementation and financing mechanism, monitoring and evaluation system. The model will serve as a basis for comparing policy formulation approaches, while information for the analysis will be gathered from official sources, recent publications and studies from national academic sources and interviews. The paper concludes with recommendations for future research related to regional development and regional policy, primarily in SEE countries.

**DESIGNING SECURE PUBLIC SPACE FROM TERROR THREAT : ROLE OF PHYSICAL DESIGN FROM USERS' PERSPECTIVE**

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**Roos Akbar, Institut Teknologi Bandung, INDONESIA**

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Terrorism have been widely spread as common threat in many large and important cities around the globe. As terror attacks evolve to reach softer target to maximize the effect, the need for more secure public spaces opens the debate among planners and urban designers. The role of physical design to promote safety and security for more complex threat has been questioned intensively. The problem of balancing the need to secure public spaces while at the same time maintaining the accesability of spaces cannot scale perfectly to accommodate both demands. In many western countries where public spaces represent symbol of democracy in using spaces and unique characteristic of urban fabric, this debate has been continuously walking around the clock. In contrast to the west, the debate over this situation is not commonly discussing in Southeast Asia especially in Indonesia where terrorist attack several times hit its capital cities. There is wide gap of knowledge in non-western countries regarding physical approach to secured-public spaces and the perception of people towards this issue. Moreover information of public tendency regarding the feeling of security to security design is not addressed adequately. This study tries to analyze the role of physical design in contributing to feeling of security and safety from users' perspective. In order to find deep information from public, qualitative analysis is utilized by interviewing ten respondents working around past terrorist target in Jakarta's central business district. The results reveal that organizational approach and technological surveillance are more important strategies to face terror threat. These findings then head discussion about the role of physical design towards feeling of security in public spaces and elicit important points to enrich theory of defense urban planning and design in a time of terror.

**ENVIRONMENT INTO PLANNING – ACHIEVEMENTS AND DEFICIENCIES IN CENTRAL AND EASTERN EUROPE**

**Andrea Suvák, Hungarian Academy of Sciences Centre For Regional Studies, HUNGARY**

Concerns about the natural environment have always been essential building blocks of what is called today spatial planning in Europe. In effect, environmental aspects have been important drivers of the very formation of modern urban and spatial planning. Its importance was reinforced by the Fifth Environmental Action Programme of the European Union that laid down the bottom lines of environmental policy integration, consideration of environmental costs and benefits, monitoring of environmental effects, co-operation with environmental authorities and public availability of environmental information.

Environmental policy of the Central and Eastern European countries has largely been impacted by the environmental policy of the European Union, which itself is a blend of various policies, practices and even philosophies of the Western-European countries. The transformation of these countries into market economies in the early 1990s gave an overdue start for policy formation, institutionalization and awareness raising for environmental aspects. The EU has been an urging factor in this development, through its legislation and even more due to the funding schemes that channel EU environmental norms in the form of provisions. Amidst rushed marketization, privatisation, development of national economies and facing crises of old industries, CEE countries did not build up their own norms and forms of environmental protection and policy integration; the methods supported by the EU were adopted, often resulting in incoherent systems with overlapping layers of conflicting approaches and hollow practices that only simulate environmental concern.

This paper will get into details about the position of the natural environment within spatial planning in CEE countries, making comparisons between the underlying value-sets of (some) Western and Central and Eastern

European planning systems. These value sets are approached from the field of (environmental) ethics, which is applied to distinguish between different types of motivations that drive 'environment-conscious' spatial planning practices. Identifying these hidden motivations is expected to contribute to the understanding of the flux that characterises the involvement of environment approaches in spatial planning in CEE countries.

*Innovation, Agglomeration, Evolution*

### **THE DYNAMICS BETWEEN LOCALIZED INDUSTRY AND THE EVOLVING INNOVATION SYSTEM: CASE OPTOELECTRONICS IN TAMPERE, FINLAND**

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Cooke and Schienstock (2000: 273) has pointed out, that the wider innovation system forms a context in which different industrial networks connect to the system in different ways. Here, the systems of innovation literature provides useful insights for those structural and institutional factors that frame innovation processes (Edquist 1997; Edquist & Johnson 1997: 46; Edquist 2005 rep. 2011: 182, 188). However, the innovation systems are not fixed, they change in time (Edquist 1997; Doloreux, D., & S. Parto 2005) moulding the framework conditions continuously.

This study focuses on evolving framework conditions, structure and institutions, and their affect on networking in the localized, university based technology agglomeration. The main research question is: "How does the evolving innovation system affect on networking of localized industry?" As to exam the specific network dynamics, the study draws upon the social network analysis (Granovetter 1985; Burt 1992, 2005; Uzzi 1997; Grabher 2006). Consequently, three sub-questions are formulated : a) Which are the enabling and constraining factors determined by the innovation system in different points of time?, b) Does the case reveal any boundary spanning acts related to constraining situations?, and c) Are there particular exchange relations explaining networking?

The data is driven from the empirical case of the university based technology agglomeration, the optoelectronics in Tampere Finland. The empirical data includes interviews (25), documents and registry data covering timespan from the late 1970s until the late 2000s.

*Urban and Regional Theory, Methodology and Data*

### **THE EFFECTS OF CHANGING REGULATIONS OF THE REGIONAL POLICY AND ACTUAL MAINSTREAMS OF REGIONAL STUDIES FOR THE OFFICIAL REGIONAL SITUATION ANALYSES IN HUNGARY**

**Pal Szabo, Eötvös Loránd University (ELTE), HUNGARY**

The aim of this paper is to analyse the effects of changing regulations of Hungarian regional policy and the effects of new elements, actual mainstreams of regional studies for the Hungarian official territorial situation analyses. In Hungary in the new period of EU cohesion policy the country and the counties (NUTS3 regions) are the most important roles. The new development documents were prepared for this areas, but there are new Hungarian regulations for the preparing, and these have different effects for the situation analyses. On the other hand in recent years new approaches and new notions are in the regional studies (territorial competitiveness, territorial cohesion, territorial capital etc.), which may affect to the regional policy, in Hungary also. In this paper we analyse the situation analyses of the Hungarian regional development documents, in particular the analysis of the regional development and the spatial structure, and we compare the previous and actual development papers. Our results show different applications of the guidelines of the regulations, and show a kind of "federalism". On the other hand the adaptations of new results of regional studies are weak in these papers.

**DETERMINANTS OF FIRM INFLUENCE IN LOCAL ECONOMIC GOVERNANCE AND DEVELOPMENT:  
EVIDENCE FROM TWO BRITISH INDUSTRIAL DISTRICTS**

**Phil Tomlinson, University of Bath, UNITED KINGDOM**

**J Robert Branston, University of Bath, UNITED KINGDOM**

Recent policy initiatives in the UK have sought to place greater emphasis upon private sector actors engaging in local governance processes and hence shaping local economic development paths. Private sector involvement has, of course, long been part of the lexicon surrounding UK local development strategies, stretching back to at least the early 1980s (Syrett and Berotti, 2012). However, since 2010, there has been a renewed emphasis upon the primacy of (local) business-led schemes as part of the government's 'localism' agenda. This is apparent, for instance, in the new rhetoric surrounding the recent city-devolution proposals, but also in earlier (and related) government initiatives, including Local Economic Partnerships (LEPs), City Growth deals, and the establishment of Enterprise Zones (Pike et.al, 2015).

In part, the 'localism' agenda recognises firms as being at the core of local economic activity. As such, they have an inherent interest in local development issues, especially: the development of local infrastructure; (locally based) publicly funded business support services (including public R&D facilities); the use of urban space; marketing and tourism; and in specific industrial clusters, co-ordinating industry wide strategy. Resolution of these issues are matters of local governance, and will help to shape the overall strategic direction of a locality. This is particularly important within the wider context of rebalancing the UK economy, especially in relation to revitalising lagging manufacturing regions where decentralisation is now seen as part of the solution (Bailey et.al, 2015). Yet, it remains unclear as to the extent to which local UK firms actively influence and shape local development policy initiatives, and through which mechanisms their influence is exercised. It has, for instance, been noted that a degree of apathy exists among (local) UK business towards local governance (Raco, 2003), while policy-makers lament the more passive role and lack of collective endeavour among UK business communities concerning local development vis-à-vis their European counterparts (Heseltine, 2012). In this regard, and partly based upon the experiences of the Italian industrial districts, it is often claimed local governance (and development) is enhanced through promoting what Cooke and Morgan (1998) term 'associational economies', with local institutions (including business associations), social capital, and strong (local) business networks playing a prominent role.

This paper seeks a broader understanding of private sector engagement in local governance and development. It does so through an empirical analysis of local governance within the context of two industrial districts based in the British 'Midlands': the North Staffordshire Ceramics industry, based in Stoke-on-Trent; and the Birmingham Jewellery Quarter in Hockley, Birmingham. Industrial districts are interesting candidates for analysing local governance processes, where the interests of industry and the wider locality are often entwined regarding socio-economic development. Moreover, both industrial districts have until recently, struggled to meet the challenges posed by globalisation, with 'weak' local governance structures previously being identified as a hindrance to future development (De Propris and Wei, 2007; Hervas-Oliver et.al, 2011).

Using data from an administered survey of firms in both districts, this study explicitly explores the extent to which local firms shape local industrial development strategies and the conduits through which this is achieved. In doing so, we estimate an Ordered Probit model to examine the local factors that allow some firms a higher degree of influence in local governance and development. Thus, we seek to place the 'localism' agenda alongside the earlier literature linking local governance and development, while also offering a novel (and empirical) contribution to the debate on how firms might (practically) shape development trajectories. The remainder of this paper is set out as follows. Section 2 reviews the literature, exploring the links between local networks, business associations, social capital, and governance. Section 3 introduces our case studies. Section 4 outlines our methodological approach, the data, and econometric specification. Section 5 presents and discusses the results. Section 6 briefly concludes.

**SOCIO-SPATIAL INEQUALITIES AND PERIPHERALIZATION PROCESS IN ROMANIA**

**Ibolya Torok, Babes-Bolyai University, ROMANIA**

Romania's current state of territorial development, the new spatial structure of the economy and the population are mostly determined – in addition to the process of path dependency – by new political, social and economic circumstances. Along the transition from a planned to a market economy, the post-communist socio-economic changes have left their mark on the evolution of the rural population not just in terms of structure and quality, but also in terms of numbers. Deindustrialization and the restructuring processes which have occurred in the late 1990s have had a series of negative effects that manifested themselves not only in the rise of unemployment, structural economic transformation but also in the deepening of socio-spatial inequalities between urban and rural areas. The aim of the paper is to present the process of peripheralisation in Romania, highlighting the new patterns of territorial disparities between metropolised core regions and rural areas. Based on the analysis of income levels in order to delimit the peripheral areas and using the technique of spatial auto-correlation for drawing up spatial patterns of local income, the paper will focus on future possibilities of rural areas, considering the present political responses to socio-spatial inequalities and rural development.

**TRADITIONAL INDUSTRIES, NEW ECONOMIC MODELS – CLUSTERING AS A RESPONSE TO NEW ECONOMIC CONDITIONS IN THE TRANSYLVANIAN REGIONS**

**Gergely Torok, Babes-Bolyai University, ROMANIA**

In the last years quite a few studies have been analyzing and describing the fate of old, traditionally industrial areas as well as the decline of certain industries as we know them all over Europe. Romania, and especially Transylvania, with a long tradition in industrial production is no exception to the rule.

Over the last two decades in Transylvania - although in a fluctuating manner -, in spite of the industrial decline we could see an economic growth surpassing that of the EU average, for new opportunities have emerged which have not gone unnoticed by the economic environment. New industries have developed, new areas of economic development have emerged - but have they emerged in areas previously overlooked by the radar of economic prosperity or has there just been a change in specialization of older industrial areas, taking advantage of their skilled labor force and more developed infrastructure? Has it been a spatially concentrated development or have the neighboring areas also managed to evolve in the process? Has it been a spontaneous process or did it have more of a planned character sketched out by a newly emerging clusters?

In recent years clusters have begun to play an increasingly important role in the economic and political environment alike, being mentioned more and more often in relation to new development policies as an easy solution for the complex problems of the economy. During recent years in Transylvania, following a well-established trend in the European Union - a series of cluster initiatives have started to appear, fuelled either by bottom-up initiatives of companies, research institutions from related industries or third party organizations seizing the opportunity for offering cluster management services and attracting external funding. But are these clusters really an answer of the local business environment to a globalizing economy? Or are they just a trendy instrument for absorbing EU money?

By answering the questions presented above, the goal of the paper is to analyze the changes in the specialization of certain areas and the impact and role of clusters in supporting key industries – either new or old, by managing relationships between partner institutions and attracting external financing sources.

**SOCIOECONOMIC RELATIONS AND LOCAL PERCEPTIONS IN THE CASE OF DIAMER-BHASHA DAM PROJECT, PAKISTAN**

**Andre Torre, FRANCE**

**Muazzam Sabir, University Paris Saclay, FRANCE**

Today, land use conflicts are recognized as the result of massive mismanagements of infrastructure projects. These mismanagements raise the issues of displacement, resettlement, compensations and livelihood, thus affecting the socioeconomics of affected population badly.

We will start by describing land use conflicts generated by infrastructural development projects and their impacts on socioeconomic values of affected population., based on the literature on land use conflicts (in general) and construction of dams (in particular) in developing countries. Then, we will discuss the case of Diamer Bhasha Dam project and its importance for Pakistan. There arise different conflicts because this project is based on territorial occupation and compensation among different actors, affecting the resettlement and livelihood of local population. We also put emphasis on geopolitics, international concerns and financial issues being faced due to the project.

The study is based, primarily, on interviews conducted from experts and stakeholders, who share different background i.e. Government agencies, private consultants, local leaders, journalists and advocates etc. Secondly, data is collected from daily regional press and public and private published literature. We describe conflicts between different actors on the basis of ethnicity, territory, mismanagement, corruption and cronyism. The results show direct impacts of conflicts and the project on socioeconomics of affected population and indirect impacts of conflicts on project. Ethnic conflicts among the local population and conflicts between local population and Government over territory and compensations are severely affecting the resettlement of affected people. Moreover, Government's policies of capacity buildings programs and alternative employment opportunities for affected people have several gaps and are likely to affect their livelihood negatively, as the affected people do not have awareness to invest the compensation in business and property etc.

We also observe lack of proper information dissemination and public participation in some important activities of project i.e. land measurement and land category decisions etc. on the basis of which people are being paid with cash compensation. These problems led towards conflicts between Government and affected people because of mismanagement, corruption and cronyism. Moreover, Government so far, failed to manage the ethnic conflict among local population and compensation conflicts between local people. These are the major issues because of which Government could not acquire land completely for resettlement of affected people and ultimately for the project.

**HOW DO PRIVATE STAKEHOLDERS ADAPT TO CLIMATE CHANGE – FINDINGS FROM TWO AUSTRIAN WINTER TOURISM REGIONS**

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The following paper presents experiences gained and lessons learned within two case studies on climate change adaptation in relation to winter tourism. The findings are a result of a series of interviews in two exemplary Austrian ski regions with different preconditions.

The research is being conducted within the project PATCH:ES "Private Adaptation Threats and Chances: Enhancing Synergies with the Austrian NAS implementation", funded by the Austrian Climate Research Programme. The overall aim of the project is to explore 1) the willingness, ability and capacity of private stakeholders such as farmers, businesses in winter tourism and households to adapt to climate change, 2) the

impacts of private adaptation on other policy goals like resource-efficiency and climate change mitigation; and 3) the need for adaptation governance to enable or incentivise private adaptation. This paper focusses on findings from the winter tourism branch.

Tourism represents an important economic factor in Austria. Austria ranks at 12th position according to the Global Travel&Tourism Competitiveness Report 2015. Considering only direct effects, Austria's tourism industry contributed 5.3 % to the national GDP in 2010; or 7.5 % when taking indirect effects into account as well. Expenditure per person are higher in winter (120 Euro) than in summer (99 Euro). Austria is a market leader for winter holidays and holds with 52 Mio. skier days per winter season the 3rd position worldwide (after USA and France). Beside of that 11 % of all Austrian employees work directly for the tourism sector.

At the same time, the alpine space is extraordinary affected by climate change. Since 1850 temperature has risen by appr. 1.8°C and a further increase of 1-2°C can be expected by the middle of this century. A temperature rise of 1°C by 2030 implies that the snowfall line will move up appr. 150 metres in altitude. That would severely affect Austria skiing resorts and wintersport municipalities, as well as the whole Austrian economic market.

In our project we conducted case studies on two selected sample regions in order to assess current and planned measures to cope with the expected climate changes. In order to cover the main fields of winter tourism in Austria, research referred to two different winter tourism subtypes: a smaller skiing resort with mixed portfolio of lower intensity tourism and a large skiing resort with a focus on winter tourism, big investments and ambitious expansion plans. The case studies revealed that private and public players in winter tourism are closely interwoven. Purely private adaptation measures are hard to find. Where predominantly private adaption takes place, it is mostly not directly driven by climate change but rather by economically relevant factors like all-season occupancy and changing customer structures and demands. Nevertheless, this can show positive effects on adaption to climate change, but it can also lead to negative effects ("maladaptation") like a destructive competition among the largest winter resorts. This paper illustrates findings which are specific for a smaller and a larger skiing resorts but also similarities which apply to all winter tourism regions.

*Urban and Regional Sustainability*

## **TOWARD SUSTAINABLE CITY: CONSTRUCTION OF POLICY RESPONDING TO CHANGE**

**Yo Tsuchida, Nihon Fukushi University, JAPAN**

The presentation argues policy for sustainable city economically, socially and environmentally. In big city today it's growing, even under concentration of population and economic activity, division of society and economic instability under globalization. On the other hand many peripheral areas face crisis of demolition due to the outflow of the population and regional industry. These have made it necessary to consider vision and strategy possible to realize regional sustainable development or in other word to keep and regenerate intrinsic value of the region under changing environment. For this purpose it examines two cases in Sweden. One is the policy of Goteborg, Sweden's second largest city, which aims to be sustainable city in the face of expansion of segregation and increase of foreign owned capital. The latter is the case of small peripheral town which keeps population and local communities through development of culture/art and economic activity in complement each other. Analytical points are as follows.

First is to make development of well-being of people now and in the future as basic goal of regional policy aims to realize sustainable development. The presentation argues the policies towards sustainable development of well-being within the scope of the environmental constraints.

Second is to consider policies aiming to realize sustainable development economically, socially and environmentally in complement among them. Development of creative capabilities through the promotion of art and culture in order to ensure well-being of people is also basic condition for creative industries and innovation to develop. And moreover conversion toward environment friendly industry, under international environmental regulations, becomes competitive advantage. These show possibility of the policies aim to realize

economic and social sustainability within the environmental constraints to develop complementary among them.

Third is to pay attention to the argument resilience as a methodological perspective of regional analysis and policy. Resilience has gained attention as a perspective to analyze the regional system possible to adapt to changes in the global economic crisis while maintaining local industry and employment. The presentation considers, keeping in mind argument on resilience the policy possible to achieve sustainable city under globalization and technological change.

Fourth is the understanding of regional structure as complex and dynamic entity. The presentation considers economic and social structure of region both from on one hand as complex of various components each of which has connection with multi-scale actors through for ex. integration of regional industry into global economic activity, and on the other hand as geographic unit with its own unique historical and social cohesion. Based on assumption as such it discuss' structure of regional economy and society and dynamics of changes and also the policy necessary to attain sustainable city.

Fifth is the policy and role of government. It's necessary for the policy aims to attain sustainable city governance possible to adapt to socio-economical characteristics and changes.

*Local and Regional Economic Development and Planning*

## **WHEN IS THERE GAIN FROM PLANNING GAIN? AN ANGLO-GERMAN COMPARISON**

**Ed Turner, Aston University, UNITED KINGDOM**

In both England and Germany, instruments to capture the uplift in land values associated with a development and use it to fund infrastructure and affordable housing have been utilised to an increasing extent in recent decades. In England, "Section 106 agreements", latterly supplemented by the "Community Infrastructure Levy" came, at least until the economic downturn of 2008, to be responsible for the funding not only of site-specific infrastructure, but a wider range of infrastructure, such as schools, transport and leisure facilities, and in particular came to replace government grant in the development of much affordable housing. In Germany, the long-standing instrument of the "Staedtebaulicher Vertrag", complemented by other, more coercive measures, is also increasingly used to secure affordable housing and relevant infrastructure. Using planning gain may be attractive to policy-makers as an alternative source of funding to government grant, and may also ensure infrastructure is provided for new developments, and can contribute, when affordable housing is provided on site, to the construction of mixed communities. However, sceptics have argued that such reliance may mean that such infrastructure and affordable housing is not provided in areas with lower values associated with new housing, is inefficient, or may render development unviable.

The first section of the paper sketches the growth (and, in England, modest recent decline) in the acquisition of planning gain. The paper then, based on a series of case studies drawing upon original data and a series of interviews, explores reasons for variations in extraction of planning gain within each territory, considering residential land values, the political composition of the municipality, administrative capacity, and the balance between greenfield and brownfield development. In doing so, it tests whether the reasons underpinning the growth of planning gain are the same in the two countries, and but also whether differences between them can be accounted for in the same way, and are thus generalisable or entirely specific to national contexts.



## **POPULATION DECLINE IN LITHUANIA. WHO LIVES IN DECLINING AREAS AND WHO LEAVES?**

**Ruta Ubareviciene, Lithuanian social research centre & Delft University of Technology, LITHUANIA**

An increasing attention to the causes and consequences resulting from population decline is reflected in media as well as in academic debate. Population decline continues to be the prevailing phenomenon in many developed countries; therefore it should also receive more and more attention from the policy makers and planners. The consequences of population decline are especially severe in the post-communist states of Central and Eastern Europe, which experienced some of the highest levels of population loss in the world during the last decades. This study examines one of the most extreme examples of population decline, which is found in Lithuania. This is also one of the first research that uses individual-level Lithuanian census data to study inner migration; therefore there is no prior knowledge on the subject.

This paper uses individual-level census data from 2001 and 2011. First, it investigates socio-economic and demographic structure of the rapidly declining regions – areas that lost more than 20% of the residents within the 10-year period. Second, regression analyses are used to explore the probabilities of different groups of population to move-out from the declining areas.

The results show that internal migrations are highly selective in Lithuania. It was found that the more ‘successful’ people are much more likely to leave the declining areas. Moreover, the less ‘successful’ people are more likely to move into them from the other parts of Lithuania. This results into a socio-spatial residential differentiation, which manifests through increasing demographic and socio-economic contrasts within the country. People with the higher socio-economic status are increasingly over-represented in the major metropolitan areas, while the elderly, lower social status people are over-represented in the declining (mainly) rural areas. The results of the estimated probabilities of moving-out of the declining areas showed that the individual characteristics are more important than the local context of the area. On the contrary, the contextual characteristics of the region to which people move in are very important in explaining selective migration.

While the socio-spatial changes are obvious in Lithuania, and could be mainly characterized by the negative aspects, there is no strategy on how to cope with such an extreme population decline and increasing regional inequalities in the country, and no dialog exists between politics, planners and researchers in order to find possible scenarios for the future. Moreover, the growth oriented development paradigms are still dominant in Lithuania, and planning for decline seldom appears on the agendas of planners and politicians. The results of this paper suggest that there is little hope to reverse the ongoing trends of population change and its socio-spatial redistribution, thus it is important to admit the reality and think about the alternative models for the futures’ development.

## **INTRAREGIONAL ALLIANCES AND SUSTAINABLE REGIONS: CREATING A CULTURE OF INTERNATIONALITY THROUGH TRANSNATIONAL KNOWLEDGE EXCHANGE**

**Martina Ukowitz, Klagenfurt University, AUSTRIA**

**Ruth Lerchster, AUSTRIA**

In a globalised world, regions act in the field of tension between the local and the global. Dynamics on site have to be handled focusing on local strengths and at the same time a high advertency on global innovation is needed. It is a continuous switchover between perspectives that in the best case leads to the integration of the best from different worlds. Activities on various societal levels are necessary to make this happen. The contribution deals with the experiences and results of a transdisciplinary research and intervention project, in which this field of tension is focused on, by analysing it but also developing collective strategies to tackle it.

In a transdisciplinary project, carried out by a research team and an alliance of entrepreneurs and local politics, the confluence of an initiative driven by the economic sphere and questions of regional development is aimed

at. The research and intervention project starts from the assumption that internationalisation, a transnational attitude and transnational activities, are crucial for a sustainable regional development and that at the same time globalisation implies new challenges for institutions and people. From the perspective of politics, the sustainable future of the region is at stake. Entrepreneurs obviously are interested in economic success, but they are also conscious of the fact that the general local situation, influenced by soft facts like a lively, innovative atmosphere, is an important factor ( the latter is especially important in connection with the problem of the so called brain drain in peripheric regions).

Against the background of that overall situation, the project follows the question how people in the economic field and in regional administration institutions, entrepreneurs and employees, deal with the possibilities and demands of transnational activities and which challenges they have to face in a globalised working environment. The interest is a twofold one: The scientific interest lies in the significance of mobility on the one and local bondage of people in times of globalisation on the other hand. It focuses on the ideas and images of mobility, the ideologies laying beyond and the significance of organizational structures and institutions in the mediation between mobility and local bondage.

The second interest lies in a more practical field. Within the project in cooperation with entrepreneurs and employees suitable strategies and measures to foster transnational activities are worked out and implemented as pilot projects. One measure is the development of an inter-company mobility program called "On the move". It is a mobility and vocational education program that highlights experiential learning and transnational inter-collegiate experience exchange. Beyond that, the program promotes cultural exchange and supports internationalisation processes in companies.

The contribution gives insight into the results of the scientific analysis and into the development process of the mobility initiative. It is pointed out that institutionalisation and organisational structures provide one promising way to handle the field of tension between the local and the global.

*Special Session: Cohesion Policy for European Regions and Cities: Between Economic and Political Challenges*

## **TERRITORIAL GOVERNANCE IN THE GERMAN-POLISH BORDER REGION. THE EXAMPLE OF THE TRANSODERANA EGTC**

**Peter Ulrich, Viadrina Center B/ORDERS IN MOTION, GERMANY**

Cross-border, transnational and interregional cooperation of subnational entities within the European Union (EU) have been strengthened politically, legally and financially by the EU and the Council of Europe. Nearly every border region in the EU participates in some form of cooperation structure across borders – mainly due to financial support by the EU joint initiative INTERREG. The EU legal instrument European Grouping of territorial cooperation (EGTC), that was introduced in 2006 by the European Commission provides subnational authorities across borders an own legal personality and, therefore, represents a new form of territorial governance in the inner-European border regions. Nowadays, more than 55 EGTC within the EU have been established. In Germany, at the western borders several EGTC have been created while at the East German border still misses some kind of this cooperation structure. The aim of this paper is to show the example of an EGTC ("TransOderana EGTC") under construction at the German-Polish border area and to examine barriers of and conditions for the build-up of this territorial governance arrangement.

The paper starts with a general theoretical discussion on concepts of European integration studies. A brief introduction of neofunctionalist (Multilevel governance) and neoinstitutionalist assertions shall provide a theoretical basis for the simple integrational question: Why do nations, subnational administrations and its actors cooperate across borders?

After the theoretical and conceptual sharpening, a brief introduction on cooperation networks, actors, administrative structures of EU Regional Policy in the German-Polish border region will be outlined. In a next step, the legal instrument EGTC will be introduced. The emphasis is put on the elaboration process of the

legislation, the function, the peculiarities, the aim, the objective as well as some other features of this legal tool. Also the implementation act of the EGTC regulation will be analyzed in both countries.

In the following chapter the focus will be put on the programmatic period 2014-2020 of the EU Cohesion Policy. The territorial strategy of the EU and the German as well as Polish nation-state (f.e. through partnership agreements of the nation state with the European Commission [EC]) regarding the EGTC will be scrutinized. In this regard, the role of the EGTC within the ETC can be examined. As well as the TA2020 the ETC regulation offers a few hints how the new legal cross-border instrument shall be used and under which circumstances the EGTC can gain support by EU programmes. This information is important to understand the contexts of national preference building. So the European Territorial Agenda of EU Cohesion Policy will be linked to the European Grouping of Territorial Cooperation.

In the last step, the example of EU territorial governance within cross-border regions will be illustrated by the set-up of the TransOderana EGTC. Actors, networks and institutions as well as politico-administrative conditions for the creation of the EGTC will be described in this in-depth case study. The data will be collected by expert interviews and grey literature. The article shall provide a better understanding of the EGTC as a legal governance tool to build bridges in cross-border regions in a transnational world. It contributes to the thematic themes "Geo Politics" and "Territorial Politics and Federalism" of the RSA Annual Conference 2016.

*Climate Change, Sustainability and Mitigation*

## **ASSESSING THE BUDGETARY IMPACTS OF CLIMATE- AND WEATHER-RELATED EXTREME EVENTS FOR MUNICIPALITIES**

**Christian Unterberger, University of Graz- Wegener Center, AUSTRIA**

Quantifying the impacts of climate- and weather related extreme- events is a rather delicate task. There are several ways to arrive at cost figures. Current literature knows three main approaches. There are case studies (e.g. Hallegatte (2008), Hallegatte et al. (2011)), studies that either focus on specific events or locations over time (e.g. Rojas et al. (2013), Nicholls, R. J. et al. (2008)) and studies that look at the impacts on nation state level. Either via combining several different approaches as in Steininger et al. (2015), or by means of an econometric analysis looking at past events as in Lis und Nickel (2009). So far no attention has been devoted towards the evaluation of budgetary impacts on regional level. This article sets out to focus on this hitherto neglected level and provides estimates for the regional budgetary impacts of extreme weather events. This is important on two accounts. First, in order to reduce the national vulnerability to climate- and weather- related extreme events it is crucial to reduce potential damages on local level. Second, the incentives for municipalities and federal states to reduce exposure and vulnerability are higher when the budgetary impacts of disastrous events are made visible. Hence, the article provides estimates for the local costs of climate- and weather- related extreme events and thereby contributes to the debate of costs and vulnerabilities emanating from these events on national level.

The regional budgetary impacts of climate- and weather- related extreme events are assessed by analyzing the impacts these events have on the budgets- and the financial position of Austrian municipalities. The econometric model used to estimate these effects contains budgetary data for Austrian municipalities, along with regional macroeconomic data, precipitation data and data on disaster incidence and costs. Given the fact that the main climate- and weather- related extreme events in Austria are precipitation related, the focus is on high precipitation events. The variables used cover the period from 2001 to 2010.

Two regression models are estimated with first the ordinary budget positions, and then the municipalities' financial position as dependent variable. This procedure allows to first identify those budget groups with the largest exposure and subsequently to analyze if the effect on budget positions is also mirrored in the financial positions. The preliminary results show that the impacts of climate- and weather related extreme events vary between budget groups. While for some, statistically significant negative impacts are observed, others do not exhibit any significant reaction to climate and weather related extreme events. As for the impacts on financial positions it appears as if some budget groups have a more pronounced effect than others. Within the preliminary

results, climate-and weather related extreme events have a significant negative impact on municipalities' financial position.

*Special Session: The Development of Peripheral Areas in Italy: European Perspective*

## **REFLECTING ON URBAN-RURAL INTERACTIONS AND ON THE POLICIES ADDRESSING THEM: WHERE ARE WE?**

**Giulia Urso, Gran Sasso Science Institute, ITALY**

The concept of urban-rural relationships is increasingly attracting the attention of both scholars and policy-makers, after a long tradition which saw "rural" and "urban" as opposites, with little or no consideration of the interrelations between the two. In recent years, there has been growing acknowledgment of these linkages in the academic literature on economics, geography and regional planning, and also a gradual change in the policy orientation towards this topic. The debate on it has gained considerable momentum due to the European Spatial Development Perspective (European Commission 1999), which has identified urban-rural partnerships as a key issue. The underlying political concern regards the decline of rural areas in large parts of Europe, mostly resulting from a combination of depopulation and agricultural downturn. The discussion on urban-rural interactions actually involves a wide variety of subjects, some applying to peripheral rural areas with dispersed small settlements, and others relevant in metropolitan regions. This is for instance the case of the conceptual and practical category of "city-region", a functionally inter-related geographical area comprising a central city as part of a web of urban centres and rural hinterlands. The metaphor associated with it is that of the hub (city) and the spokes (surrounding urban/rural areas) of a bicycle wheel. It has attracted much attention in recent years both in the academic debate and from urban elites, being increasingly considered the more "appropriate" scale for the implementation of development policies, although the issue of urban/rural interactions is still largely ignored. The paper first reviews the international literature on the above-mentioned themes, including the urban/rural dichotomy vs. urban/rural interactions (also in light of the ESDP, and the OECD integrated approach to economic development), the planning for peripheral areas, the city-region and the polycentric urban region, the inter-municipal governance and place-based policies. It then analyses the Italian Strategy for Inner Areas, which provides an intriguing starting point for broader reflection on these crucial issues in the regional development debate. In 2012 the Italian Minister for Economic Development launched the "National Strategy for Inner Areas" (SNAI). The latter are areas located at a considerable distance from urban hubs providing essential services (namely education, health and transport), which since the 1950s have undergone a process of marginalisation evidenced by key signs of de-anthropisation. The aim of the national strategy is to create developmental tools likely to foster a series of improvements in the wellbeing of the populations living in those areas. They concern diverse aspects, i.e. access to basic services and better use of the social and territorial capital, that should lead to an inversion of the negative demographic trend.

This paper presents the rationale for the renewed interest in the topic of urban-rural linkages by highlighting the findings of the literature review and various organization positions and interventions on it. It also aims at assessing how much of the knowledge produced so far is indeed embedded in the SNAI, showing how these issues are addressed in it, and finally providing better understanding of the hindrances and opportunities that implementation of such a strategy entails.

*Urban and Regional Sustainability*

## **A NON-COMPENSATORY APPROACH TO ESTIMATE URBAN LIVEABILITY**

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In recent decades, the world has been experiencing an increasing urbanization process. In this way, the percentage of world's population residing in urban settlements has increased from 30 per cent in 1950 to 54 per

cent in 2014 (UNDESA, 2014). The urban agglomeration has positive effects on the economic and social wellbeing of its inhabitants. Thus, it provides its residents with a large variety of goods, services and infrastructures that depends on a sufficient demand (Glaeser et al., 2001). However, the excessive concentration of people and economic activity is also the trigger of the deterioration of the natural environment in cities which constitutes a threat to the urban liveability. The analysis of the trade-off among agglomeration benefits and costs gains importance for urban planners because they must make decisions that lead to a balance between the two types of externalities (Mori and Yamashita, 2015).

The social concern about the consequences of urban agglomeration has been transferred to the scientific field through many works which study concepts such as liveability, sustainability and quality of life in cities (Bithas and Christofakis, 2006; Newton, 2012; Ruth and Franklin, 2014; Mori and Yamashita, 2015; Zanella et al., 2015). From a theoretical point of view, there is a wide consensus among these works that liveability should not come at the expense of the long term environmental sustainability. Despite the fact that a significant part of the works proposes a set of economic, social and environmental indicators to assess urban liveability, none of them has managed to integrate this theoretical assumption into a quantitative approach of liveability.

In this context, the aim of this paper is to find a tool to make operative a quantitative approach of liveability beyond the consideration of present needs. In this sense, the compliance with minimum environmental conditions is required to ensure that urban liveability can last over time. Thus, we define liveability as the sum of the physical and social characteristics of urban environments, which adds up to its inhabitants' quality of life (Gough, 2015). Two types of urban environments have been considered in this work: the built environment and the natural environment. On the first type of environment, the concentration of population can have a positive or a negative impact, depending on the dimension of the built environment we consider. However, urban agglomeration always generates undesirable effects on the natural environment of cities. Thus, a composite indicator which does not allow compensation between natural environment indicators and built environment indicators is proposed. In that sense, a bad performance on the environmental dimension cannot be offset by a good performance on the built environment (Munda, 2001; Blancas et al., 2010). The results from this work will allow us to draw some conclusions about the level of liveability that different cities offer and what particular urban dimensions can be improved in order to enhance liveability.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **SYSTEM FAILURES AND SMART SPECIALISATION: BEYOND THE ENTREPRENEURIAL DISCOVERY PROCESS**

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Different types of innovation policy intervention rely on combinations of market or system failure rationales. The case for smart specialisation, the concept adopted to underpin regional innovation strategies within Europe, has primarily been made on the basis of the former. In particular, coordination problems between economic actors have been emphasised as a key form of market failure preventing optimum outcomes for regional economies. This has led to the 'entrepreneurial discovery process', conceived as a collective process of a region identifying research and innovation domains that it should prioritise to stimulate structural change in its economy, being promoted as the core feature of smart specialisation strategies. System failure rationales, by contrast, have tended to be evoked in relation to smart specialisation only in the more general sense of supporting more differentiated and context-sensitive regional innovation policies. This paper argues that the application of this system failure analysis should be strengthened to supplement market and coordination failure arguments for smart specialisation. The entrepreneurial discovery of distinctive local innovation domains on its own, while potentially a key element of the strategy formation process, will not inevitably result in the knowledge spillovers and critical mass needed for regional economic change if systemic and institutional barriers to innovation are not also addressed through policy. This argument is supported through a comparative analysis of capability, interaction and institutional failures in the innovation and governance systems of a range of European regions, drawing on material from a current FP7 funded project (Smart Specialisation for Regional Innovation).

**MULTI-STAKEHOLDER GOVERNANCE FOR SUSTAINABLE URBAN DEVELOPMENT: EXPLORING CITY-LEVEL PUBLIC-PRIVATE PARTNERSHIPS FOR SMART CITIES**

**Daniel Van den Buuse, Amsterdam University of Applied Sciences, THE NETHERLANDS**

Multi-stakeholder partnerships in which public and private actors collaborate to address urban sustainability issues are increasingly becoming a widespread phenomenon and mode of urban governance, and represent an important city-level response to broader societal challenges such as energy transition, climate change, and diminishing greenhouse gas (GHG) emissions. City administrations increasingly engage in formalized partnerships with other urban stakeholders, including technology firms, entrepreneurs, utilities, and knowledge institutions, to develop technology-enabled solutions to sustainability issues in their cities. Innovative sustainable technologies, referred to as ‘smart city technologies’, developed by technology firms are increasingly becoming of pivotal importance in these urban projects, and can be considered to be an integrative part of addressing urban sustainability issues at the city-level. Empirically, this study builds on an in-depth study conducted in the Amsterdam metropolitan region (AMR) with partners and stakeholders in the Amsterdam Smart City (ASC) partnership, focusing specifically on four energy projects: Energy Atlas, focused on the development of an open data platform to visualize and calculate local-level energy flows in Amsterdam; Smart Light, in which partners experiment with an internet-of-everything approach to urban lighting; Climate Street, in which various energy efficiency solutions are implemented and tested in an integrative way in a designated street, in collaboration with a broad range of stakeholders; and Sustainable Neighborhood Geuzeveld, a project in which smart metering and display technologies were implemented and tested on a household level by a utility. These projects share various characteristics: all focus on the experimentation or implementation of smart city technology-based solutions to urban sustainability issues, were developed through a complex interplay between public and private partners with diverging strategic motives and incentives, and all experience project-specific complexities in terms of their scalability and replicability beyond the project phase. Building on a theoretical framework derived from literature on economic geography (i.e. multi-stakeholder governance; urban governance; climate change experiments), partnerships for sustainable development (i.e. public-private partnerships), and business models (i.e. business models for sustainable innovation; collaborative business modelling), this study examines the ASC partnership as well as these four projects through a documentation study combined with 18 semi-structured interviews with representatives for the City of Amsterdam, the Amsterdam Smart City strategic team, technology firms and grid managers (energy/water). It analyzes actor-level motives for engaging in multi-stakeholder city partnerships at the initiative-level and project-level, the complexities in multi-stakeholder collaboration during different stages of development of the project, and the actor-specific strategic benefits to collaborating in city-level public-private partnerships. To conclude, this paper aims to contribute to literature on public-private partnerships and urban governance, embedded in the broader debate on cities in energy transition and climate change.

**SMART CITY PILOT PROJECTS: SCALING UP OR FADING OUT? EXPERIENCES FROM AMSTERDAM**

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In many cities, “smart city” pilot projects are set up to develop new solutions addressing sustainability issues such as energy transition and climate change. Typically, these projects are supported by the municipality, funded by subsidies, and run in partnerships. In many cases however, their impact is very limited, as many projects die after the pilot stage, and never scale up. In this paper, we analyse the challenge of upscaling, focusing on complex urban sustainability innovation projects in which several partners –with different missions and agenda’s and incentives- join up. First, we review the extant literature on upscaling from development studies, business studies, and the transition literature. Much of the literature deals with upscaling innovations by single organisations (government departments, health care providers, corporates, startups). In the more abstract transition literature, smart city projects are framed as experimental settings, (“niches”) in which innovations are tested by new constellations of actors, preparing for further diffusion. Niches create room for new desirable yet

immature socio-technical configurations to be tested, gain constituency, induce new regulatory frameworks and business models and, ultimately, may evolve into solid alternatives to current regimes.

Based on insights from these literatures, in this paper we unfold a framework of analysis to analyse the upscaling of complex urban pilot projects in which it is ambiguous what is being scaled up, by whom (the partnership, its constituents, third parties), and to what level. We identify critical conditions for upscaling, taking the different project contexts and incentives of project partners into account. In the empirical part, we use the framework as a lens to study the approach of Amsterdam Smart City, a public private partnership in Amsterdam charged with piloting and upscaling urban sustainability solutions. Based on desk research and in-depth interviews with a number of project stakeholders and partners of Amsterdam Smart City, we analyse three projects in depth: i) Energy Atlas, an EU-funded open data project in which the grid company, utilities and local government set up a detailed online platform showing real-time energy use on the level of the building block; ii) Buurzaam Geuzenveld, a community project led by the grid company to install smart meters and displays in social housing estates in a deprived neighbourhood, with the aim to reduce energy consumption; iii) Climate Street, a project that intended to make an entire urban high street sustainable, involving a large number of stakeholders. Each of the projects faced great complexities in the upscaling, albeit to a varying degree. The paper ends with conclusions and recommendations on pilot projects and partnership governance, and adds new reflections to the academic debates on upscaling.

*Austerity (Risk and Resilience)*

## **MEASURING REGIONAL RESILIENCE: A MULTIDIMENSIONAL APPROACH BASED ON ECONOMIC WELLBEING**

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The economic crisis that began in 2008 showed clearly the different capacity of territories to address its adverse effects. Thus, while some regions have been more successful when facing it and their recovery started earlier, others suffered deeply the shock, and its effects extended over time. Moreover, some works (Murias et al., 2012; Dolphin, 2009) have observed how areas that appeared as winners in the period of economic boom have been deeply affected by the economic crisis, reflecting the weakness of the progress made in the past. The evidence of these differences in the performance of regions drew attention to a promising concept: resilience. Resilience seeks to capture the differential and uneven ability of places to react, respond and cope with uncertain, volatile and rapid change (Pike et al., 2010). Therefore, it is a dynamic concept that shows the different effect of a shock on territories, helping also to identify which factors may contribute to a better response.

However, the study of resilience has many difficulties. There is no consensus about its theoretical definition, and its practical application is not simple. In particular, the question arises about which variables are most appropriate to measure it. In this sense, the approach taken by many works on resilience has focused mainly on labor market and unemployment rates (Davies, 2011; Fingleton et al., 2012; Lee, 2014) and on economic activity and GDP (Cellini and Torrìsi, 2014; Abiad et al., 2015). Despite being two key economic variables, the impact of crisis has a more general effect on population, so it is not possible to explain it with one single variable, or even both. Aspects such as the evolution of inequality or the accumulation of wealth are also affected by the shock, and its relevance is too important to leave them out when studying the impact and recovery after a shock. Therefore, it would be necessary to take an approach based on a wider range of variables, in order to provide a more complete picture of resilience.

On this basis, our paper takes a multidimensional approach of regional resilience, aiming at measuring the ability of a region to maintain the economic wellbeing of its inhabitants. With this objective, we use the theoretical framework of Osberg (1985), who proposed four dimensions to assess economic wellbeing: consumption flows, stocks of wealth, economic equality and economic security. Using Spanish regions as the geographical area of

the analysis, we elaborate a composite indicator of regional resilience, which reflects to what extent its level of economic wellbeing has withstood the challenges derived from the economic crisis.

*Austerity (Risk and Resilience)*

## **REDUCING NATURAL RISK: REGIONAL AND URBAN STRATEGIES FOR RESILIENT PLANNING**

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In the last thirty years, many data demonstrate more frequent and intense consequences of natural phenomena: multiple effects (direct and indirect) capable of producing temporary and permanent damages, to natural environment, to buildings, human beings, economy, society. They could be extreme climatological, hydrological or geological phenomena (i.e. floods, earthquakes, hurricanes, typhoons, landslides) that may not involve damage to persons or property. When human beings are exposed to a possible harmful situation, it is defined as natural hazard: if cities, urban settlements and people are unable to cope disaster effects, a risk is produced. So, a complete understanding of phenomena, through the knowledge of all its aspects and the study of the effects on the environment, is a basic requirement to identify actions that, properly used and shared, allow a better and efficient risk management.

Within the scientific literature, it is possible to recognize a considerable amount of different terms such as risk, hazard, vulnerability, exposure, adaptability, resilience: the relationships between them are often unclear especially because they have different meanings in different contexts. In urban background, the argument, which has still gaps in national, regional and local level, also implies the concept of flexibility defined as the capacity to change over time and therefore to have a continuously dynamic development.

The authors present the actual level of knowledge about Risk Theory and Risk Analysis, starting with the definition of the key words, and providing some guidelines that should be developed within the local planning: urban policies and intervention's strategies to reduce risk through advance territory planning, with particular interest on reducing exposure. Since human beings (with buildings) are always the key elements being exposed to a risk, the assessment of the exposure of the different urban functions (residential, commercial and tertiary buildings, critical facilities, social and economic infrastructures) can be considered as the essential feature of disaster risk reduction.

The aim of the research is to obtain information about population (density, individual characteristics, behavior during night and daytime) and building functions, with the use of satellite imagery, maps and ground surveys. Two possible strategies of intervention in the city to reduce the hazards are the relocation of a specific urban function from high-risk to low-risk area (Areal change) and the replacement of high exposure functions with lower exposure ones in the same area (Functional change).

Because cities have to adapt their functions to the contingent needs without a complete change of its main structures, they require a better efficiency in urban governance's policies for flexibility that implies a resilient city plan.

The versatility of the presented methodology allows its use for many different types of hazards (natural and man-made) and for urban micro-scale (urban settlements) and territorial macro-scale (regional scale).



**BEYOND THE RHETORIC: THE EMERGING SOCIO-SPATIAL CONFIGURATION OF THE PADOVA-MONZA AREA IN MILAN**

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Over the last decade the area that develops from Piazzale Loreto towards the North-Eastern edges of Milan along Via Padova and Viale Monza has dramatically changed. The process begun with the de-industrialisation of the late 1970s, when many Italian families started to move out from the area leaving room for the progressive settlement of new populations. Especially since the late 1990s, the large availability of vacant flats attracted massive waves of immigrants from Asia, South America and North Africa, as well as many Italian students and young professionals. As a consequence, the socio-spatial configuration of the area has been redefined under several aspects. New living practices and uses of the public spaces emerged, together with the development of a new pattern of commercial and socio-cultural activities. At the same time a number of critical issues arose. Namely, these chiefly concerned the neglected conditions of the built environment, the concentration of different kinds of social marginalities, the challenges posed by the coexistence of diverse and multi-ethnic populations, and a growing perception of insecurity.

Yet, over the last decade the media and local politicians interpreted the process of change adopting two rhetorical paradigms that were based only on a partial representation of the context. On the one hand the right wing provided a stigmatised representation of the area and focused its rhetoric on the issue of urban security, blaming foreign immigrants as the cause of local blight and as a threat to personal safety. On the other hand the left wing aimed at overturn such image by adopting a rhetoric that concentrated on the values of diversity, multi-ethnicity and integration. Accordingly, also the policies that addressed the area were informed by the same rhetoric: the right wing mostly implemented security measures, whereas the left wing promoted initiatives oriented towards social cohesion. However none of the two political sides have dedicated any substantial effort in developing the complexity of local problems and addressing the roots of their causes. Despite being based on two opposite rhetoric paradigms, in the end both the right and the left wing seem to converge on a common aim. That is, to eradicate undesired behaviours and social groups in order to ultimately enhance the attractiveness of the area for wealthier populations and external investors.

It is our belief that there is a strong need to go beyond such rhetoric and to deeply investigate the emerging complex socio-spatial configuration of the Padova-Monza area. Urban policies cannot afford to be place-blind, whereas only a full and unbiased understanding of the local dynamics can allow policy-makers to develop coherent and effective measures.

Our contribution will thus try to provide a detailed picture of the socio-economic composition of the area, as well as to describe the current living practices and the use of public space. Particular attention will be paid to the various neighbourhoods comprised in the Padova-Monza area and to their specific development dynamics. Ultimately we will elaborate on three research questions: (1) How is the new social fabric shaping the local physical environment? (2) Which socio-spatial dynamics are emerging? (3) What are the local development trajectories that need to be addressed by policies?

**TECHNOLOGICAL INTENSITY AND SPATIAL CLUSTERING OF FIRMS IN MEXICO**

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During the past decades changes in Mexico's economic geography has played a major role depicting economic activity and the spatial distribution of firms. While some regions arose as highly agglomerated in advanced manufacturing industries others lagged in its development, such pattern contributed to the development of

industrial poles that also differ in its level of technological progress. This paper aims to explore spatial clustering patterns of manufacturing industries according to the level of technological intensity. The main interest is to investigate the distances at which agglomeration reaches its peak and to what extent firms tend to co-locate with same level of technological intensity. The empirical analysis use geo-referenced data of firms along with spatial statistics methods and network visualization analysis. The findings suggest that firms in industries with high technological intensity tend to show higher agglomeration patterns at shorter distances as compared to the other technological groups. This result seems to be supported by the formation of clustering groups based on each firm's co-location pattern. Finally, the results here described would provide recommendation and suggestion for research as well as regional technology development policy.

*Special Session: Path Dependency and Regional Renewal*

## **THE ROLE OF RELATED AND UNRELATED VARIETY FOR EUROPEAN REGIONS IN TIMES OF CRISIS**

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This paper analyses the impact of relatedness and diversification of the regional production structure and knowledge base on European regional employment growth between 2008 and 2011. We therefore provide empirical evidence on the role of related diversification and regional branching (Boschma and Frenken 2011) with a focus on the period of the economic and financial crisis in Europe. The hypotheses we test posit (1) positive effects of related and unrelated variety in production and knowledge on regional employment growth; (2) a stronger positive impact of unrelated variety in production in those regions that were most affected by the economic crisis; and (3) a differentiation of the effects of related and unrelated variety by regional characteristics such as their distance to the technological frontier and their degree of urbanisation.

To test these hypotheses, we use data on 2- and 4-digit NACE Rev. 2 sectors to measure related and unrelated variety in production, and data on 3- and 7-digit technology classes in the International Patent Classification to measure related and unrelated variety in regional knowledge capabilities. Panel data employment growth regressions are estimated for 250 NUTS-2 regions from the EU-28, taking into account a number of regional control variables such as regional wage rates as well as proxies for urbanisation and localisation externalities. The main result emerging from the econometric analysis is that unrelated variety in production had a strong positive effect on aggregate regional employment growth between 2008 and 2011, and that this can largely be explained by its importance in those regions that were most strongly affected by the economic crisis. Given the time period examined, this can be interpreted as evidence in favour of the portfolio effect, that is, the shock-absorbing role of regional diversification into unrelated economic activities. Related variety, on the other hand, has a small positive effect on employment growth only in the non-crisis regions, hinting at the growth-enhancing role of relatedness in regional diversification during more normal economic times.

When distinguishing regions by distance to the frontier, related variety is found to have a significant positive effect on employment growth for regions at or close to the frontier but not further away from it, and the growth-enhancing effect of related variety increases with proximity to the frontier. Conversely, unrelated variety has a significant positive effect on employment growth for regions furthest away from the frontier or just ahead of the most distant group but not close to the frontier. These findings suggest that less technologically advanced regions generate employment through diversification into unrelated industries, while for regions at the frontier, diversification into related industries is growth-enhancing. This could reflect that the regions close to the frontier in our sample are all from the EU-15, which have relatively mature industrial structures and might thus benefit more from knowledge spillovers between related activities.

Overall, the dominant role of unrelated variety as a driver of employment growth for the EU regions during the crisis years 2008-2011 is a noteworthy result in comparison to the existing empirical literature, which tends to highlight the role of diversification into related economic activities. Overall, both relatedness and diversity are

likely to matter for economic performance, albeit in different circumstances, and it is important for economic policy to strike the right balance between them.

*Innovation, Agglomeration, Evolution*

## **PERIPHERALLY GLOBAL: WORLD MARKET LEADERS IN RURAL AREAS**

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The paper has a conceptual approach, presenting the general theoretical and empirical outlines of a research project under the title “Peripherally global: World market leaders in rural areas”. It started recently (January 2016) and is a subproject of the Collaborative Research Centre “Processes of Spatialization under the Global Condition” (Leipzig University, 2016-2019).

The project parts from the observation that in debates on knowledge-based regional development, spatial proximity to innovative cooperation partners is considered to be a key competitive advantage for companies. Accordingly, regional policies and economic development in much of the world tend to support centralization. However, in Germany there are numerous companies that are world leaders in terms of technology or in a specific product segment, which have established themselves in peripheral areas. This project examines the global networks of these companies and the ways in which they produce transnational spaces. It concentrates on innovative processes that seem to be only partly territorially organized and, moreover, involve various ways of overcoming distances and producing linkages between places.

Theoretically the project focusses on discourses that develop a critical perspective on territorial-based innovation models. These discourses, amongst others developed by Bathelt and Glückler (2003) focus on the economical actors themselves and their embeddedness into social networks. This perspective is fundamental for the conception of the project, leading to a deepened examination of processes of knowledge development and diffusion.

Methodologically the project applies a mixed-method-design, combining standardized, quantitative methods of network analysis with qualitative methods (Hollstein 2010). Qualitative interviews with the heads of the companies shall be conducted as a supplement to a standardized survey with the aim to examine network practices and network effects. Furthermore the interviews shall help to understand the constitution conditions, dynamics and temporal changes of the established company networks. Additionally group discussions will be conducted to consolidate first results.

The project contributes to the debate on the development of peripheral regions and the research ontranslocal knowledge flows. In the frame of the Collaborative Research Centre it helps to improve the understanding of constituting and designing space formats that are part of contemporary entrepreneurial actions.

*Local and Regional Economic Development and Planning*

## **CHALLENGES FACING TRADE UNIONS AS REGIONAL DEVELOPMENT ACTORS: THE CASE OF NORTH WEST TASMANIA, AUSTRALIA**

**Matthew Walker, AUSTRALIA**

**Richard Phillips, RMIT University, AUSTRALIA**

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Over the past twenty years there has been much debate over the purpose, role and future of trade unions. Nonetheless, there has been little consideration of unions as development actors in changing regional contexts. The region of North West Tasmania (NWT), Australia, has undergone industrialization, deindustrialization, and more recently a process of uneven regeneration. Other significant problems include high rates of youth unemployment, low per capita GDP, population aging and decline, large proportion of welfare recipients and low levels of educational attainment. Employment is shifting in NWT, with growth in some primary and

secondary industries (such as agriculture and dairy) and not in others (such as mining, forestry, manufacturing and processing), complemented with growth in niche and value-added produce, advanced manufacturing, and service sectors (such as health care and social assistance, retail, and education).

In traditional models of regional development the exercise of power and associated capacities are concentrated in the hands of centralised forms of government. More recently, however, regional development has been understood as a participatory project in which empowered local actors are able to influence the priorities and future trajectory of their region. Theoretically, devolution of responsibility and governance from national political levels and/or a delegated capacity by local government and other stakeholders opens up 'institutional space' where it may be possible for unions to play a part in regional regeneration. This paper explores the challenges that unions face in meaningfully contributing to these processes. This draws on data gathered in 80 interviews that were conducted in 2014-2015 in NWT with representatives from state and local government, businesses, unions, and community groups.

Trade unions in the region face several key challenges. There has been downscaling of and closures in traditionally unionised large-scale manufacturing and processing businesses. Union involvement is much lower in small and medium-sized businesses that dominate the region's economy. Unions have struggled to organise in some growth sectors, such as agriculture. Within unions, structural and organisational changes such as centralisation and branch amalgamations have contributed to resource constraints and a reduction in the 'embeddedness' of a union presence in localities. Finally, unions are challenged by entrenched perceptions held by regional actors, including labour, business, government, and other unions themselves. The question for unions is therefore: given decreased membership, depleted resources and a reduced presence, how can they move beyond traditional methods, strategies, and relationships in order to develop a more influential role in the strategic-level thinking that regional actors are now engaged with.

*Urban and Regional Sustainability*

## **VARIATION ACROSS PRICE SEGMENTS AND LOCATIONS: A COMPREHENSIVE QUANTILE REGRESSION ANALYSIS OF THE SYDNEY HOUSING MARKET**

**Sofie Walzl, University of Graz, AUSTRIA**

Standard house price indexes measure average movements of average houses in average locations belonging to an average price segment. Such procedures obscure a huge variety of price development patterns in housing markets across price segments and geographical areas. Unfavourable price developments may be offset by opposing movements in other sub-markets creating a false sense of security. This paper uses quantile regression techniques to reveal this kind of variation. Two novel hedonic approaches based on the time-dummy and imputation method respectively are developed to compute quality-adjusted price segment- and location-specific house price indexes. The proposed methods are applied to house sales in Sydney, Australia, between 2001 and 2014. The analysis finds a rich set of variation across sub-markets over time. Whereas the price peak in 2004 was driven by sharply increasing prices of suburban, low-priced houses, the peak in 2010 can be mainly attributed to rising prices in the inner city. From 2012 onwards, the entire market experiences large increases which are strongest in the lowest price segment. The findings clearly suggest that standard house price indexes are not enough to assess the state of a housing market and actually obscure a lot of variation within a market. The joint analysis of movements in price segments and geographical areas allows deep insights which are likewise of interest for policy makers, home owners, urban planners and investors. (JEL: C14, C21, C43, R31)

**DELINEATING THE BOUNDARY OF THE CITY-REGION: EMBEDDED GEOGRAPHIES AND THE URBAN/HINTERLAND RELATIONSHIP**

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**Stephen Burgess, Cardiff University, UNITED KINGDOM**  
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**Adrian Healy, Cardiff University, UNITED KINGDOM**

City-regions are now in vogue across a range of jurisdictions in Europe as governments seek out the appropriate scale within which to foster economic growth and sustainability. While in some cases the boundaries of these city-regions are obvious, many struggle with how best to capture the state and range of activities being undertaken between the urban core and the outer hinterland. In such cases boundary delineation becomes quite difficult as the now well-rehearsed sociospatial relations of territory, place, scale, and networks interact to blur the borders between administrative, political, functional, and imagined spaces. Yet for the purposes of governing, a defined boundary on a map is often required to bestow legal status and powers to certain places and not to others as well as to divide political representation and accountability between populations and governments. Having recently introduced legislation to allow the creation of city-region 'Strategic Planning Areas' in Wales, the Welsh Government sought to understand how such debates might manifest as the boundaries for these areas are developed through a case study of the Cardiff Capital Region.

The project aimed to explore the qualitative and quantitative evidence that may be drawn upon in order to construct city-region strategic planning areas and through exploration of different options develop a method of using this evidence to generate alternatives for identifying a city-region strategic planning area and assess the appropriateness and usability of the methods through the application of a case study. Through qualitative thematic stakeholder interviews, political interviews, and community focus groups the research sought to identify the socio-cultural priorities that might cut across local planning, the sub-regional geographies of these socio-cultural priorities, ideas of local and 'greater than local', and potential datasets for capturing the above data. This data was used to develop a framework for the delineation of city-region strategic planning area boundaries and the structuring, identification, weighting, and synthesis of quantitative indicators to define a series of boundaries for the city-region.

Three different conceptual starting points were then identified and tested on the Cardiff Capital Region to assess the suitability of the framework and understand how positionality, time, and purpose might alter the relationship between the urban and its hinterland. Whilst for some, the drawing of a proposal for a strategic planning area with a defined boundary is simply about drawing a line on a map, the research demonstrates that in doing so regard has to be given to a range of political, social and technical criteria. The results of the research highlights that while proposals for city-region strategic planning areas may reflect currently embedded geographies, they offer an opportunity to reframe the geography of strategic planning in Wales around identified long-term objectives in ways that can polarize as much as integrate the relationship between regions urban cores and hinterlands.

**PRODUCTIVITY AND PRICING**

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Productivity is the preferred measure of firm-level efficiency and perceived to reflect resource use rates. It follows that maximising productivity should be the fundamental objective for managers and thus strategies to enhance productivity are the mantra of most government policies. Here we examine whether pricing behaviours explain low productivity levels in an area dominated by the tourism sector. Semi-structured interviews were

undertaken with restaurant managers in order to identify market structure, pricing strategies, managerial objectives and socially-influenced managerial decisions. Analysis of this information reveals why this area's productivity is measurably poor and elucidates that productivity can be a poor measure of productive efficiency, as it might merely illustrate managerial motivations towards money and the presence of market opportunities to achieve scale economies. Policy makers should not focus profligately their policies on achieving productivity growth.

*Clusters, Competence Centres, Smart Specialisation and Global Production*

## **INTERPRETING THE REGURGITATION FEEDING EFFECT OF LEADING FIRMS' OUTWARD FOREIGN DIRECT INVESTMENT ON CLUSTERS**

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It is well-recognised that leading firms have played an important role in bridging local clusters and global markets and production systems. This paper examines the link between leading firms' outward foreign direct investment (OFDI) and cluster development, in particular, in a context where leading firms are 'Late-comers' type MNEs'. We proposed an analytic framework drawn heavily on the literature on the significance of spillovers from inward foreign investment (for example, Barrell and Pain, 1997; Aitken and Harrison, 1999; Driffield and Love, 2003; De Propriis and Driffield, 2006; Menghinello, De Propriis and Driffield, 2010). Firstly, we distinguish growth effect between outward FDI on cluster development, and inward FDI on cluster development, in terms of embeddness, culture cognition, institutional cognition and crowding effect. Secondly, by integrating the variable of OFDI into the standard model of productivity growth, we mean to set up both static and dynamic models to evaluate productivity gains generated by leading firms' OFDI. Thirdly, we explore other dimensions of evaluation, including organizational and institutional spillover. In doing so, we combine quantitative models and qualitative appraisal to build up a systemic evaluation system.

The second part of the paper is to investigate determinants of the regurgitation feeding effect. We divide analytic units into the regurgitation feeding subject, regurgitation feeding object, proximity between regurgitation subject and regurgitation object, and regurgitation feeding environment, and discuss determinants within each unit and their potential impact. Finally, we discuss policy implications for best aligning leading firms' internationalization strategy with clusters' economic development strategy.

We draw our particular attention to leading firms and clusters in emerging market economies. Because in recent decades many these 'Late-comers' type firms have developed into global enterprises. Their market share, scale, performance and innovation capacity are far more than other cluster firms. Some firms are looking for strategic assets through international expansion; Some have engaged in international production and research activities in the field of high technology and have risen to leading position in the world market, becoming the rival of the western multinationals. The understanding, however, on how these home-grown MNCs transfer superior assets acquired through outward foreign direct investment such as technology and resources to related firms and organizations within clusters is limited at both theoretical and empirical level. The paper, therefore, is among one of early studies seeking to understand the uniqueness of emerging market home-grown multinational companies, their outward investment and the impact of their outward capital flow on clusters where they are leading. The research aims to contribute to microeconomics analysis on the regurgitation feeding effect of OFDI on the home country, as well as provision of theoretical foundation and practical guidance for policy design.

Acknowledgements - The authors wish to thank the National Natural Science Foundation of China (project code: 71302066), Humanities and Social Sciences Planning Fund by Chinese Ministry of Education (project code: 11YJA790158), and Key Projects of Social Science Fund of Hunan Province (project code:14ZDB17) for their financial support for this project.

## **THE MAKING OF RURAL COMMUNITY (SHEQU): A NEW ATTEMPT OF PERI-URBAN GOVERNANCE IN CHINA**

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Peri-urbanization, in which rural areas located on the outskirts of cities appear more urban in character, in physical, economic, and social terms (Webster, 2002), has been undergoing dramatic changes in China in recent decades. Concomitant with such rapid transformation, socio-economic changes are easy to perceive, referring to the aspects of land use and landscape transition, demographic changes, and economic growths. The physical and socio-economic dynamics of peri-urbanization has been documented, including the negative environmental and socio-economic outcomes caused by land conversion (Dutta, 2012; Firman, 1997; Yeh & Li, 1997), the transformation of both economic structure and employment structure (Andrews, 1942; Webster, 2002), migration and concentration of people in peri-urban areas (Aguilar, et al., 2003; Browder, et al., 1995; Pannell, 2002; Zhu, 2000). Relatively less attention has been paid to the governance dynamics of peri-urbanization, especially the changing grassroots governance in China's peri-urban areas. New insights have been gained through the investigation of changing urban governance at local scale (Wu, 2002), the "community building" campaign launched in recent decades (Bray, 2006; Nguyen, 2013; Shieh, 2011), the struggle of village governance between formal and informal institutions (Shou, 2015), and the "not rural but not urban" mode of governance in China's urban villages (Tang, 2015). The exploration in understanding the transformation of rural community governance in the context of peri-urbanization is inadequate. The paper aims to present the findings from an in-depth case study.

Institutionalists have recognized the importance of "institutions" in shaping local governance. The governance situation in the highly centralized China is closely related the arrangement and operation of both formal and informal institutions. The grassroots governance in China relies heavily on the base-level government, and the Residents' Committees (RCs) and Villagers' Committees (VCs) at the community-level. The "Rural Community Construction" has been introduced in peri-urban areas to solve the conflicts occurred in the rapid rural-to-urban transformation of traditional villages. The implementation of this policy has introduced new governance agencies and new modes of governance. This paper will employ an institutional approach to examine how the new attempt of "Rural Community Construction" reshapes the grassroots governance in peri-urban China by investigating how has the institutional arrangement and institutional environment been changing. The outcomes of the "Rural Community Construction" will also be examined. A peri-urban area of Jiangyan, Jiangsu Province, which has been experiencing rapid Development-Zone-led peri-urbanization since 1993, has been selected as study area. Jiangyan could be seen as a representative of small- and medium-sized cities in China, which has long been overlooked by academia. The observation of the changing peri-urban governance in peri-urban Jiangyan would shed some light on the development of these "neglected" but important localities.

### *Leadership and Governance*

## **CHALLENGING HIERARCHY: WHAT IMPACT DOES YOUTH INVOLVEMENT HAVE ON THE GOVERNANCE OF YOUTH EMPLOYMENT PROGRAMMES?**

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**Bashir Nadia, Sheffield Hallam University, UNITED KINGDOM**

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This paper explores the involvement of young people in the design and delivery of programmes to combat youth unemployment. Successive European Council conclusions have stated the need for concerted action between the EU institutions and Member States to address youth unemployment (European Commission 2013, 2014 and Council of the European Union 2011, 2014). Whilst such calls are welcome, concern has been voiced that the proposals do not go far enough, either in the resources to be deployed or in recognising the scale of structural reforms to labour markets which may be required (Eichhorst et al 2013; Lahusen et al 2013). We do not yet

know what implications these calls have for the governance of employment programmes at a local level. Moreover, do such calls simply shift responsibility from states and markets to civil society and young people? Eichhorst et al (2013) also recognise that addressing youth unemployment is not simply an economic problem but may also be part of the crisis in the legitimacy of public and private institutions (see also Ritzen and Zimmermann 2013).

This paper looks beyond the now well established repertoire of the European Union's Structural Funds (European Commission 2013), such as the Youth Employment Initiative longer term structural reforms, notably around VET (Vocational Education and Training) and practices to encourage hiring by SMEs. Rather, this paper explores the role young people themselves play in the governance of local employment initiatives. The focus throughout the paper is on young people furthest from the labour market.

This paper presents interim findings from a large scale evaluation of a €130m seven year programme (called Talent Match) in England which is being funded by the United Kingdom's Big Lottery Fund (the main distributor of Lottery funding in the UK). The programme runs from 2013 to 2020. The programme differs from approaches seen in many Structural Funds and national programmes in that it is administered and delivered by civil society organisations working as part of youth (18-24 year old) led partnerships.

The findings suggest a somewhat mixed picture. Young people's involvement does apparently improve programme design but sustaining involvement is difficult. Moreover, involvement is partial and may reinforce rather than challenge youth employment interventions.

The paper is structured as follows. It firstly considers the challenge of youth unemployment, drawing out evidence to highlight the complexity and severity of the challenge. Secondly, brief details about the Talent Match programme and its evaluation are outlined. Thirdly, evidence on youth involvement is considered. A discussion then draws out the implications for the governance of employment programmes.

*Special Session: Social Comparisons and Altruism Across Space and Time*

## **DO POSITIONAL PREFERENCES FOR WEALTH AND CONSUMPTION CAUSE INTER-TEMPORAL DISTORTIONS?**

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**Sugata Ghosh, Brunel University London, UNITED KINGDOM**

This paper derives necessary and sufficient conditions under which positional preferences do not induce inter-temporal distortions. When labor supply is exogenous, positional preferences for consumption have been shown to be non-distortionary for a class of models. However, it has not been explored whether the same holds when households also exhibit positional preferences for wealth. The analysis identifies a restricted homogeneity-property which, when not satisfied, induces positional preferences to be distortionary, despite inelastic labor supply. Without positional preferences for wealth, a constant marginal rate of substitution-property is necessary and sufficient for a consumption positionality to be non-distortionary. Once a household also has positional preferences for wealth in addition, the consumption positionality almost always becomes distortionary, as the implied effects of the positional concerns induce opposing effects on a household's saving behavior. Under a constant marginal rates of substitution-property, these opposing effects exactly offset each other.



## **EVOLUTIONARY APPROACHES TO FOREIGN DIRECT INVESTMENT AND MULTINATIONAL KNOWLEDGE TRANSFER: EXAMPLES FROM IRELAND**

**Adam Whittle, University College Dublin, IRELAND**

From the outset, the question of why are governments so keen to attract inward Foreign Direct Investment (FDI) presents itself as an obvious one. Since its inception in the early 1970s, a well developed body of literature has emerged linking FDI with various types of transfer mechanisms; technological, labour, financial but most importantly knowledge (Teece, 1977). However, while the characterization and production of knowledge is now the focus of much academic debate, an understanding of the types of knowledge produced as well as the channels of diffusion remains unclear.

These shortcomings have recently cumulated within certain avenues of Evolutionary Economic Geography (EEG) as the transfer of technological knowledge has obvious spatial (geographic) and sectorial (economic) implications. A centrepiece of much of this literature has been directed towards understanding the recombinatory patterns of innovation, in terms of how Multinational Corporations (MNCs) contribute to and benefit from the host economy (Singh, 2007). More specifically these debates have functioned to draw attention to the non-local capabilities of MNCs in terms learning and knowledge creation; ideas that have strong resonance with theories of related variety, cognitive proximity and technological relatedness (Boschma, 2005; Frenken et al., 2007).

Against this backdrop, the purpose of this paper is to synthesis the literatures of the Geography of Foreign Direct Investment and Evolutionary Economic Geography. In doing so it'll provide a framework to measure the impact of FDI in shaping the technological evolution of Ireland, as over the past thirty years Ireland has become Europe's primary benefactor of American FDI.

An issue with attempting to measure knowledge spillovers is that they are subtle and inherently difficult to measure (Krugman, 1991). To date the majority of work that focuses on FDI spillovers has focused disproportionately on the U.S., thereby raising questions regarding its applicability to developing economies. As outlined by Cohen and Levinthal (1990) firms are more suited to implement sources of knowledge that are closer to their existing knowledge base. Therefore, a technological gap between home and host country map help to explain why so many studies have failed to find evidence of knowledge spillovers in developing economies. Additionally, the majority of research coming from the Geography of FDI has attempted to measure knowledge spillovers indirectly by measuring productivity changes associated with FDI. The problem here is the difficulty that arises when trying to disentangle the knowledge spillover effects of FDI from its competitive effects.

In order to circumvent this, the current investigation measures knowledge flows directly using patent citation analysis. Following Jaffe et al., (1993) patent based methodologies have become commonplace in analyzing knowledge spillovers. Building off this framework, this papers utilizes a recently developed Irish patent dataset (1980-2010) in order to answer two question that are frequently left unanswered when discussing knowledge spillovers from MNCs. Firstly, what are the specific types of knowledge that spillover from MNCs? Secondly, what are the channels through which this knowledge diffuses e.g. forward and backward linkages?

## **EUROPEANISATION OF URBAN GOVERNANCE IN POLAND: DIMENSIONS, TRENDS AND CHALLENGES**

**Aldona Wiktorska-Swiecka, University of Wroclaw, POLAND**

The concept of Europeanisation occupies an important space in the study of European integration. However, the starting point for the considerations contained in the proposed paper is the observation, that while it is commonly accepted that European pressures have created a multi-stage process of domestic change in EU

member-states, the research agenda linked to Europeanisation has investigated the impact of these pressures within the complexity at the urban level not in an extensive way. But one has to consider, that nowadays, cities are the economic, political, and cultural centers of Europe. They have been recognized by the European Union as a new political space, offering new opportunities. The EU has provided them with new access to resources and brought new institutional and political environments for urban institutions. Although cities are not directly represented at the European level, they are affected by European integration with regards to the fact, that around two thirds of the legislation implemented by local authorities is EU legislation. But on the other hand, activities of the European cities shape the development of EU programs, policies and initiatives.

Having this in mind, the proposed paper will generally link to theoretical debates around Europeanisation with particular attention to urban governance. This approach emphasizes the involvement of local framework, development of more urban partnerships and encouragement of wider level of actors in multi-level territorial interaction. On one hand it departs from grand theories of European integration which either demand EU institutions (in coalition with local/regional and other actors) to take over executive control from the governments of member states or, as an alternative, expect these governments strictly to control the extent of European integration. On the other, it regards the utility of historical/sociological institutionalist approaches, terms of “top-down” and “bottom-up” Europeanisation as well as the conceptualization of the extend, “the horizon” and the scope, the “deepness”, of the EU impact. In this context, Europeanisation can be divided into two domains of urban politics. The first is related to the transition of the traditional urban government towards urban governance focusing on horizontal partnerships, networking and community involvement. The second one concerns the reorientation of urban policy away from fragmented actions towards integrated local action plans and initiatives, which contribute to the improvement of life in European cities.

In this context, one can wonder that there is a lack of the in-depth going knowledge on this issue linked to Central Europe. That’s why the paper sets out to define and to analyze the particular characteristics of Europeanisation with regards to urban governance in Poland. It will contain key definitions, point out three dimensions of Europeanisation at the urban level and two domains of this process: related to the transition of modes of governance on cities level and integrated, smart urban governance as an increasing trend. It will also indicate further challenges in Polish cities’ development upon the European integration.

#### *Leadership and Governance*

### **GOVERNANCE OF REGIONAL DEVELOPMENT - PROPOSING AN ANALYTICAL FRAMEWORK FOR EMPIRICAL RESEARCH**

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**Marco Pütz, Swiss Federal Institute for Forest, Snow and Landscape Research WSL, SWITZERLAND**

The debate of regional governance appears to be inseparably interwoven with regional development processes. Its characteristics and their interaction are, however, only poorly understood. Regional governance often serves as a general reference point or as a justification to do relevant and up to date research. However, both the meaning of the term regional governance or the understanding of regional governance as a concept to analyze regional governance processes remain unclear. Taking for granted that there is a variety of meanings and connotations of both the term and the concept regional governance we observe different meanings and usages of regional governance between science and practice actors. Starting from that observation the paper first aims at investigating these different meanings and usages of regional governance as a term and concept by addressing experts from science and practice in a Delphi survey. Second, based on the Delphi survey’s findings, the paper proposes a conceptual framework to empirically analyze various forms of regional governance. Starting from a concise definition our proposed regional governance framework comprises five characteristic features: (i) participation, (ii) liability, (iii) formalization, (iv) regional autonomy and (v) power relations. Each of these characteristics can be disaggregated into a set of 28 distinctive indicators in total. The Delphi-survey included 52 experts from both academia and practice of regional development from Switzerland and Germany. The results of the Delphi survey show that practitioners regard regional governance as a concept or maybe even as a tool to improve regional cooperation. In contrast to this normative understanding of regional governance academia considers regional governance as a research perspective to look at regional transformations, not necessarily only

limited to regional economic development. Further, broader understandings of governance include all forms of coordination between hierarchy and market. Narrower understandings focus on the multiplicity of stakeholders and especially the growing importance of non-state actors for regional development.

*Urban and Regional Sustainability*

## **PATH CREATION, TRANSITION AND INCLUSIVENESS: EXPERIENCES IN TWO GERMAN POST-INDUSTRIAL CITIES**

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The Ruhr Area is often recognised as example for successful transition from old industries towards cultural services and knowledge-intensive industries. Despite this seemingly common regional narrative, differences in political development and firm strategies, qualification structures and potentials for change between single cities occur. Within this paper, two cities are compared. Dortmund, the first case, was relatively early affected by structural changes. During the 1980ies, technology centres and public research institutes supported transition processes towards IT and software industries. After closing down the last steel factory in Dortmund, a new project organisation for business promotion was formed to organise growth in cluster segments outside traditional industries. The transformation of a former industrial site to a lake with marinas and premium office buildings symbolised the intended change. The transition process in the second case – Gelsenkirchen – started later and was organised closer to manufacturing industries, including solar industry, as less public research infrastructure was available. Path creation in Dortmund caused better economic results in the short-term than in Gelsenkirchen. This difference, however, was reduced after global economic crisis, and gentrification led to debates in Dortmund on social segmentation in geographical proximity. Based on interviews, quantitative indicators and desk research, the paper describes the challenges for regional and local development policies to reconcile path creation and social inclusiveness, as many workers in leading industries of the past faced problems in getting access to new leading industries and the new paths formed a parallel world to the old pathways.

*Urban and Regional Sustainability*

## **RETROFITTING BUSINESS SUBURBIA? APPROACHES TOWARDS QUALIFICATION AND URBAN RENEWAL IN SUBURBAN BUSINESS PARKS IN FRANKFURT RHINE-MAIN (GER)**

**Maike Wuennemann, ILS - Research Institute for Regional and Urban development, GERMANY**

Suburban metropolitan business parks are nowadays confronted by multi-determined challenges in terms of densification, qualification and urban renewal. Known as “Edge Cities” in the US-American context, mono-functional suburban business areas are also located in European metropolitan regions. Although the European (or more specified German) Planning System prevented such big agglomerations of service- and office-related businesses at the outskirts of the city, these forms could also be observed in Germany in a smaller scale.

The emerging importance of soft locational factors in combination with processes of digitalization and globalization bring up new forms of “International Business Centers”, which are no longer merely located in the city centres, but also in Suburbia. This emerging polycentric business patterns are closely connected to the growing importance of knowledge based economies and processes of globalization and localization. In this way, suburban business areas are spatial forms of “glocalization”.

A very modest level of building culture and the characteristic of suburbia with a strong automobile orientation are leading to the fact that especially older suburban business parks are often - despite their meaning - equipped with a low mixture of uses, a low cross-linking with the surroundings and hardly offer any urban qualities and amenities. Particularly older office parks - often facing big vacancies due to competition from new projects - are in the need of retrofitting processes. In the context of restructuring urbanization processes and growing demands towards urban living environments, these suburban service locations and office parks are characterized by a lack of urban, vibrant factors and possibilities of place making.

Still there is little research about the different types and characteristics of office park and service location typologies in business suburbia. Furthermore there is a need for investigating current retrofitting strategies and concepts to analyze the process of urban renewal in business parks.

The paper is therefore addressing and answering the following questions:

- How can suburban service locations/office parks be categorized and characterized in a comparative way?
- How can a fuzzy concept like urban quality or “quality of place” be measured? Which indicators can be used?
- What kind of urban quality can be recognized in these business-related locations (which do exist, which are missing)?
- What are the specific solutions in terms of retrofitting these suburban locations by densification, qualification and urban renewal? What actors are involved in retrofitting processes, and what are their strategies and instruments to strength the urban quality?

These questions are answered by a mix of different methods including regional spatial analysis, site visits, analysis of statistical and planning materials, development of a Quality-of-place-Index, interviews and in-depth analysis of specific case studies. Presenting a number of case studies in the region of Frankfurt Rhine-Main, the specific strategies towards densification, qualification and urban renewal should be illustrated.

*Austerity (Risk and Resilience)*

## **PEAL RIVER BAY AREA: STRUCTURE, COMPETITION AND COOPERATION**

**Yu Zhang, Guangdong University of Foreign Studies, CHINA**

Peal River Bay Area covers urban agglomeration along Peal River estuary, which includes several mega cities such as Hong Kong, Guangzhou, Shenzhen, Macao and some other cities located in Guangdong Province. This area is one of the most opening and market-oriented economic regions in China. During recent decades, it is also one of the fastest-growing and most competitive economic regions in the world. Under the background of “One Belt and Rode Initiative” of China central government, the cooperation and development of Peal River Bay Area has a strategic significance for China’s Pattern of opening-up to the world.

During 1980s-1990s, world-wide industrial transfer brings this area into a typical Core-Periphery structure even with the institutional differences existing, where Hong Kong plays an absolute key and leading role among the Peal River Bay cities. However, data-based analysis shows the structure of this area is in an on-going transformation in the recent decade. The gap of aggregate indicators on economy between Hong Kong and inner-land cities is narrowing, while the economic function of the Bay cities is homogenizing. Those changes which reduce the difference and asymmetry between Hong Kong and inner-land cities are making the Core-Periphery structure of Peal River Bay Area losing its stability. Competition between the main cities, Hong Kong, Guangzhou and Shenzhen, occurs and is more and more intense, especially in the process of post-crisis economic growth slowing down and development pattern transition. Political factors also play a complicated role in the competition between the main cities in Peal River Bay Area, which increase the uncertainty of the development of this area.

To achieve a sustainable development and competitiveness of the whole region, Peal River Bay Area calls for a more close cooperation. The frame of the cooperation may include adjustment of city strategies, enhancement of strategic infrastructure investigation and cooperation, elimination of institutional obstacles to achieve common market, strengthening relationship and cooperation with Pan Peal River Delta, etc.

**CROSS-CLUSTERING IN DAVOS: TOWARDS HEALTH TOURISM - THEORETICAL AND EMPIRICAL CONSIDERATIONS TO USE SYNERGIES BETWEEN HEALTH AND TOURISM**

**Silke Zöllner, University of Applied Sciences Chur, SWITZERLAND**

Located uniquely as the highest city in the Alps, Davos has a long history as a high-altitude health resort for tuberculosis patients. Additionally, it has a strong tradition as a touristic destination, having established itself as an attractive winter sport destination with a peak during the 1970s until the 1990s. Nowadays these two important economic pillars are still important in Davos, but both face challenges. The health cluster struggles with a drastic decline in the number of clinics during the last decades: from 50 clinics in the early days almost all of them closed down, with only three clinics remaining in operation today. The tourism cluster faces the difficulty of a stagnating number of guest nights and shorter duration of stays. This raises the question of how Davos can use its potential in tourism and health care in order to profit from the worldwide megatrend health tourism.

The objective of this study is to understand how the two clusters health and tourism can be combined such that both sides can profit from each other. Hereby the aim is to gain knowledge about how a new cluster can emerge by increased collaboration between the tourism and the health cluster; as well as to understand which factors and conditions facilitate this cross-clustering process.

The study is based on cluster life cycle theory and cluster formation processes. It first conducts a social network analysis, followed by expert interviews among tourism and health care stakeholders in Davos. Subsequently, the study proposes a model for cross-clustering in Davos.

The results show a clear core-periphery structure of the network of tourism and health care stakeholders in Davos. Direct ties between the two sectors, especially informal contacts, are missing. The interviews revealed that trust is the base for any cooperation, whereby cooperation is initiated via informal contacts. A cluster facilitator was judged as helpful during this process. It was found that tourism actors take a passive role and expect to be approached, whereas health care actors are more proactive and take initiative themselves. Both sides evaluate health tourism as economically beneficial. However, several difficulties currently block the process of cooperation: a strong focus on self-serving interests in both clusters, lacking knowledge about health tourism among tourism stakeholders and the weak financial output of sports medicine. In line, measures at destination level which can facilitate the cross-clustering process were identified, e.g. supported projects also need the necessary manpower for its implementation, investment decisions should focus on human capital and more willingness to take risks in these decisions is wished.

The study provides a recommended course of action for further developing health tourism in Davos and can serve as inspiration for other destinations undertaking similar positioning efforts. It further adds to knowledge about how a new cluster can emerge by intensified collaboration between two clusters and identifies factors facilitating this cross-clustering process.

**THE NEW HOPE FOR THE EU - SILVER ECONOMY**

**Martin Zsarnoczky, Szent István University, HUNGARY**

The population of Europe is ageing. This phenomenon is a major challenge for the society, but it can also be a great opportunity for business and economy. The “Silver economy” project focuses on developing strategies related to population ageing, mainly by means of special technology services. These services generally aim to support well-being with through health monitoring, robotic assistance, electrical mobility or sport activities, including health tourism, green care and web based home care solutions.

Nowadays, innovation developers focus on solutions for elderly people. Economic sectors involved in innovation and development want immediate strategies and clear visions for the next decades. Health and social care,

health services, self-health management and senior tourism all require ready models. The big question is whether the current economic model will be able to sufficiently respond to the new needs, or instead of amending the existing models, should we think of a totally new economic model?

It is evident that if this new economic model is based on technology, it will play an important role in the future. We have to be prepared to be able to introduce elderly people to the modern and virtual society. Furthermore, the whole virtual community will benefit from the process, as a new group of people with specific knowledge and experience will be needed to serve the need of senior citizens.

Are we at the beginning of new age in human evolution?

*Local and Regional Economic Development and Planning*

## **MULTILEVEL POLICY EFFORTS TO SYSTEMATIC KNOWLEDGE MANAGEMENT FOR REGIONAL DEVELOPMENT – THE EXAMPLE OF REGIOSUISSE IN SWITZERLAND**

**Kristina Zumbusch, University of St.Gallen, Institute of Systemic Management and Public Governance, SWITZERLAND**

The paper addresses the necessity of knowledge based regional policies for assuring innovative developments. Regional development is facing multiple challenges; the complexity of the regional environment is continuously increasing. Policies of all different levels are further aggravating the dense setting in which regional development takes place. Various sectoral initiatives and funding schemes are condensing at the regional level. In addition, many regions are not only involved in national matters, but are also very busy at the international arena.

In Switzerland the federal level has launched a systematic knowledge management for regional development in 2008. When the New Regional Policy of Switzerland (NRP) was formulated, shifting the focus from funding schemes for infrastructure to regional innovation and competition, it has been considered that financial support for regional initiatives and projects alone will not be sufficient. The paradigmatic change has been too profound, the challenges in the field of competitiveness and innovation have been seen as too complex. In consequence, a systematic knowledge management for regional development called “regiosuisse” was offered. On behalf of the State Secretariat for Economic Affairs (SECO), regiosuisse is the network unit for regional development in Switzerland. Its main task is to build up knowledge management for the New Regional Policy (NRP) and regional development in general. This is done by providing systematic knowledge management as well as opportunities for networking and further education. Through its services it encourages the exchange of knowledge and experience as well as the expansion and consolidation of social networks.

After eight years of work regiosuisse has just been evaluated and its important role for supporting regional development in Switzerland has been confirmed. The federal level, the cantons and the regions will continue to work together in the framework of a systematic knowledge management for regional development. The paper will trace these evaluative discussions and highlight the impact of regiosuisse on the regional development activities in Switzerland. What kind of elements of the systematic knowledge management seem to be most efficient for strengthening regional efforts for competitiveness and innovation? Which elements have shown difficulties in implementation and why? The paper will illustrate these learning processes and will at the same time also analyze challenges and limits of transferring the regiosuisse approach to other European regions and their multilevel settings.

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## Regional Studies Association

Research and funding opportunities to develop your career, grow your network and develop your opportunities

To view our grant schemes and apply, please visit [www.regionalstudies.org/research](http://www.regionalstudies.org/research) and [www.regionalstudies.org/funding](http://www.regionalstudies.org/funding)



As part of the Regional Studies Association's 50th anniversary new funding schemes and increased funding for Research Networks have been agreed. By offering these, the Association is seeking to raise the profile of regional research and its contribution if appropriate, to policy and practice. Research awards will be judged on the basis of the excellence of the research proposal and the ability of the applicant to communicate the results of the research broadly. Please note that these schemes are open to RSA members only. However, non-members are encouraged to apply and join the RSA at the same time (not applicable for the Fellowship Research Grant).

### Travel Grants

The RSA offers its members up to £500 towards travel costs when attending a non -SA event. Recipients of the Travel Grant must be a member of the Association at the time of the application, at the time of travel and claim. Non-members are encouraged to apply and join the RSA at the same time.

**Value:** up to £500 (or its equivalent in US\$ or € depending upon the exchange rate at the time of the award).

**Application deadlines:** Sunday 29th May 2016, Sunday 28th August 2016, Sunday 27th November 2016

### The RSA Early Career Award

#### Who is it for?

This award is open to single applicants in their early career (five years maximum between the date showing on the certificate and the application deadline). Applicants must be based within an eligible higher education institution (HEI) and must be a current, early career member of the Regional Studies Association and throughout the duration of the grant (please note that applicants may apply for membership at the same time as applying for the grant).

**Value:** up to £10,000 (or its equivalent in US\$ or € depending upon the exchange rate at the time of the award).

**Timeframe:** Maximum time span of 18 months and reporting conditions apply. Application process: A two stage application process applies

**Application deadline (first selection round):** 31st May 2016, 3pm (GMT)

### 2015-2016 Research Networks Funding Scheme

In 2015, the Association introduced an increased Research Networks funding scheme which is part of the 50th Anniversary celebration of the Association and available in 2015 and 2016 only. RSA Research Networks are formed by RSA members interested in meeting to examine an issue that responds to the aims and goals of the Association and is of interest and concern to members of the Association as well as non-members. The issue needs not necessarily to have a direct policy focus but the examination would normally lead to policy related conclusions.

**Value:** up to £10,000 (or its equivalent in US\$ or € depending upon the exchange rate at the time of the award).

**Timeframe:** minimum of 3 years and reporting conditions apply

**Application deadline:** 31st July 2016, 4pm (GMT)

### Membership Research Grant - MeRSA

This is a new research funding scheme introduced in 2015 which is intended primarily to provide opportunities for mid-career scholars who have already published in the field of regional studies and or science and who are current Individual members of the RSA.

**Value:** up to £5,000 (or its equivalent in US\$ or € depending upon the exchange rate at the time of the award).

**Timeframe:** Maximum time span of 18 months and reporting conditions apply Application process: A two stage application process applies

**Application deadline** (first selection round): 8th May 2016

### Fellowship Research Grant - FeRSA

This new award is open to Fellows of the RSA only. RSA Fellows are members who have been continuous members for a minimum of 5 years and who have also been defined as “active members”. This means that they have contributed to the life of the Association through serving on the Board or committees, have spoken at conferences, have applied for funding etc. Please email the membership team at [membership@regionalstudies.org](mailto:membership@regionalstudies.org) to check your eligibility for this category of membership.

**Value:** up to £7,500 (or its equivalent in US\$ or € depending upon the exchange rate at the time of the award).

**Timeframe:** Maximum time span of 18 months and reporting conditions apply Application process: A two stage application process applies

**Application deadline** (first selection round): 8th May 2016

### RSA Awards 2016

Nominations (both self-nominations and third party nominations) are being sought for the **Nathaniel Lichfield Award** and the **RSA & Routledge Early Career Award** in regional studies and related fields, which will be awarded by the Regional Studies Association Award Committee in 2016. The nominees for the Nathaniel Lichfield Award should be recently graduated master students. The nominees for the RSA & Routledge Early Career Award should be Early Career researchers within five years of the date on their PhD certificate or equivalent.

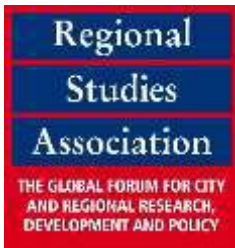
The nominees are expected to have made an original and outstanding contribution to the field of regional studies and the leading personal contribution of the recipient to the work must be clearly identifiable.

The Award ceremony will take place during the 2016 President’s Event on 24th November in London, UK.

**Prize:** The prize for both Awards are:

- A cheque for £500;
- A certificate;
- Up to £200 discretionary fund toward attending the 2016 RSA President's Event (transport costs).

**Application deadline:** 31<sup>st</sup> May 2016



**REGIONAL STUDIES ASSOCIATION 2ND NORTH AMERICA CONFERENCE 2016**  
***Cities and Regions: Managing Growth and Change***

**Wednesday 15<sup>th</sup> - Friday 17<sup>th</sup> June 2016**  
**Historic Academy of Medicine Building, Georgia Institute of Technology, Atlanta, Georgia, USA**

#RSAUSA2016

**Abstract submission deadline Extended until: 21st April 2016**

In the wake of the global financial crisis, cities have searched for new policies and practices capable of addressing major shifts in socio-economic relations at the urban and regional scale. These divergent and differentiated efforts have led to the intensification of underlying problems in some cities and a return to growth in others.

Regional policies, particularly in the North American context, responded to economic challenges by adopting new technologies *and* new institutional and organizational forms to manage growth and change at the city scale. The result is a complex and uneven landscape of public and private actors delivering financial services, scaling-up supply chains, coordinating firm networks, diffusing process and material innovations, and organizing new forms of civic representation and participation.

This conference provides a platform for researchers to address the effects of these policy, organizational, and institutional innovations and their impact on work, identity, governance, production networks, infrastructure investments, technology diffusion, and ultimately place. The conference will focus on the policy implications of emerging forms of governance and policy delivery relative to uneven development and inequality in a post-crisis era of ongoing market liberalization, financialization, and global competition.

The inter-related processes of industrialization, urbanization, and regional and local development are complex. These processes pose a major challenge for regional policy, firstly for our conceptualizations of regional and urban development and, secondly, for specifying appropriate policy-fixes to provide the conditions for sustainable, smart, and equitable economic growth.

The 2016 RSA North America Conference, in the 51<sup>st</sup> Year of the Regional Studies Association, is an opportunity to discuss these issues, to chart future research imperatives, and to address concerns and challenges confronting policymakers and practitioners. The conference organizers are keen to attract papers and sessions addressing a broad research and policy agenda, including contributions from disciplines that offer relevant insights associated with recasting our cities and regions.

**Plenary Speakers**

Professor Susan Christopherson, Cornell University, USA

Professor Matthew Zook, University of Kentucky

Dr. Dieter Kogler, University College Dublin, Ireland

Professor Robin Leichenko, Rutgers School of Arts & Sciences, USA

Professor Karen Chapple, University of California, Berkeley, USA

Professor David Rigby, UCLA, USA

**Conference Themes**

- A: Smart Cities, Smart Regions
- C: Territory, Politics, Governance
- E: Emerging Community, Urban and Regional Identities
- G: Regional Economies: SMEs, Scale-Up and the Future of Production Networks
- B: Regional Innovation: Theory, Methods, Practice
- D: Sustainable Cities and Regions
- F: Labor Markets in Cities and Regions

The organisers welcome proposals for special sessions, themed workshops and innovative forms of networking and collaboration. If you would like to organise or offer a session to the conference please contact:

**Academic Organisers:** Professor Jennifer Clark, the Georgia Institute of Technology, USA

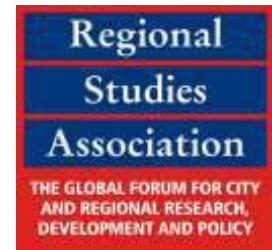
**RSA Organiser:** Lesa Reynolds: [lesa.reynolds@regionalstudies.org](mailto:lesa.reynolds@regionalstudies.org)

**For further information please visit:** [www.regionalstudies.org/conferences/conference/rsa-north-american-conf](http://www.regionalstudies.org/conferences/conference/rsa-north-american-conf)

Regional Studies Association – 25 Clinton Place, Seaford, East Sussex, BN25 1NP, UK

Tel: + 44 (0)1323 899 698 –Email: [events@regionalstudies.org](mailto:events@regionalstudies.org)

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## Changing Patterns of Territorial Policy: Smart Specialisation and Innovation in Europe

**First SMARTER Conference on Smart Specialisation and Territorial Development**  
**Wednesday 28th (Registration and Welcome Reception), 29th & 30th September 2016 (Conference)**  
**Hotel Melià Lebreros, Seville, Spain**

**Co-organised by the European Commission's Joint Research Centre and the Regional Studies Association**

Smart Specialisation represents the most comprehensive industrial policy experience being implemented in contemporary Europe and it is a cornerstone in the European Union effort to drive countries and regions out of the crisis and guarantee opportunities for growth for each and every one of its territories. Thanks to this effort, for the first time, public authorities and stakeholders across an area of more than five hundred million inhabitants are crafting their innovation policy according to a common set of principles and methodologies.

Conceived within the reformed Cohesion policy of the European Commission, smart specialisation is a place-based policy promoting economic transformation and investment in innovative activities in selected areas of the socio-economic system in order to achieve a smart, inclusive and sustainable growth.

The smart specialisation approach is characterised by the identification of strategic areas for intervention based both on the analysis of the strengths and potential of the economy and on a process of entrepreneurial discovery with wide stakeholder involvement. It embraces a wide view of innovation that goes beyond research-oriented and technology-based activities, and requires a sound logic of intervention supported by effective monitoring mechanisms.

This conference aims to take stock of the smart specialisation experience and assess its current state of the art both in terms of conceptual developments and practical implementation. It offers to a limited number of participants from academia, European Institutions and territorial authorities, a unique opportunity to discuss these issues, to define the scope and main avenues for future research and policy analysis, and to address the challenges confronting policy makers and practitioners.

The conference organisers are keen to attract papers that address the whole spectrum of topics, disciplines, and methodologies encompassed by the smart specialisation approach, including contributions from all areas of regional analysis with a link to smart specialisation.

As well as academic submissions, papers contributed by practitioners and by a combination of academics and practitioners are very much welcomed.

Papers reflecting on similar policy experiments outside Europe would also be welcome. There is a need to learn from best practice from all around the world to increase our understanding and knowledge. These papers may consider the especially acute problems of doing S3 in less developed regions and exploring the scope for inter regional mentoring and learning.

For all themes, exploring the opportunities opened by the smart specialisation approach, and the perspective it can afford as a policy framework, is desirable and will be highlighted. Themes of interest to the conference include:

### **1. Smart specialisation five years on:**

Smart specialisation at play: is it a real change?

Smart specialisation from design to implementation: lessons, challenges, opportunities, experiences.

Smart specialisation across sectors, policy areas, and intervention instruments: possibilities and constraints.

Smart specialisation beyond borders: experiences from outside Europe.

## **2. Governance and policy processes:**

Models of local governance of smart specialisation and territorial development strategies.  
The multi-level governance of smart specialisation and territorial development strategies.  
The Entrepreneurial Discovery Process: conditions for institutionalisation, sustainability, replicability.  
Forms of stakeholder involvement: from consultation to co-creation of policies.  
Monitoring and evaluation of public policy: between analysis and advocacy, beyond audit.  
Methods of participatory governance.

## **3. Actors:**

Public administrations in smart specialisation and territorial policy: sticking or changing?  
Citizens' involvement in strategy design and implementation.  
Universities and Higher Education Institutions in smart specialisation.  
Research and Technology Organisations, Business Incubators, Clusters, Science Parks in smart specialisation.  
Financial Institutions in smart specialisation.

## **4. The urban, regional and trans-regional dimension:**

Regions, cities, and city-regions.  
Rural and urban areas: between rivalry and cooperation.  
Urban strategies for innovation and development.  
Smart specialisation in rural and sparsely populated areas.  
Trans-regional and trans-national cooperation.

## **5. European and territorial economic analysis:**

Innovation and growth performance of places and organisations.  
Changing distribution of economic activities.  
Agglomeration and territorial integration.  
Regional and urban resilience and evolution.  
Qualitative and/or quantitative policy evaluation of research and innovation funding programmes (e.g. FP7, H2020, Structural Funds and/or national programmes).

## **6. Organisation of production and sectors:**

Clusters and emerging economic networks.  
Interregional, international value chains.  
Emerging technologies and activities.

### **Submission of papers**

Please submit proposals for papers in the form of a 400-500 word abstract (text only, no pictures, graphs or tables) through the Regional Studies Association online portal by **Thursday 30th June 2016**. Proposals will be considered by the Conference Programming Committee against the criteria of originality, interest and subject balance. For conference updates, please visit [www.regionalstudies.org/conferences/conference/smart-specialisation](http://www.regionalstudies.org/conferences/conference/smart-specialisation)

### **Conference Organisation**

Co-organised by the European Commission's Joint Research Centre and the Regional Studies Association

### **RSA Organiser:**

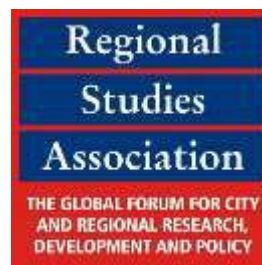
Please contact Lesa Reynolds at [lesa.reynolds@regionalstudies.org](mailto:lesa.reynolds@regionalstudies.org) for further details and questions regarding abstract submission.

# Regional Studies Association

## Student & Early Career Conference 2016

Newcastle Business School, Northumbria University, UK,  
Thursday and Friday 28th – 29th October 2016

***Towards Impact and Contributions to Knowledge: PhD to First Academic Position***



### Call for Papers

***Abstract submission deadline: Monday 5th September 2016***

The Regional Studies Association welcomes submissions of abstracts to our annual Student and Early Career conference, to be held in Newcastle in October 2016. This conference will give PhD students and early career researchers the opportunity to network, collaborate and socialise with others working in regional studies and related fields. The conference will bring together participants to present and debate their work in a welcoming and stimulating environment. Participants will receive invaluable feedback, new ideas and will learn how to strategically develop and enhance their profiles for career progression. One session will focus on academic change and the job market. Editors of the RSA journals *Regional Studies*, *Territory Politics Governance*, *Spatial Economic Analysis* and *Regional Studies, Regional Science* will be present.

We welcome all submissions with a regional focus and especially those in the following areas:

- Urban and regional policy
- New challenges in urban planning
- New economic geography
- Big data and regions
- Climate change and sustainability
- Politics and territory
- Mega-regions and City regions
- Regional mapping and visualisation
- Employment, Welfare and Labour Markets
- Social and community cohesion
- Innovation, Knowledge and Local Economic Development
- Migration Debates in the EU and Beyond
- Entrepreneurship, Manufacturing and New Business Models
- Clusters and smart specialisation

### Conference Format

The conference will begin and end with plenary lectures. In between, parallel workshop tracks will be held, all taking place at Newcastle Business School, Northumbria University city centre campus in Newcastle upon Tyne. Papers will be grouped thematically after submission. We will also hold a special 'research impact' session with leading academics and journal editors and devote one session to more innovative presentation formats.

### Information about the Venue

The conference venue is about 15 mins walk from Newcastle train station (accessible directly from most major UK cities). For international visitors, Newcastle Airport is only 20 mins away, connected to the city centre via the Metro system. There are many bars, restaurants and hotels within walking distance of the venue.

Please submit offers of papers in the form of 400 word abstracts through the Regional Studies Association conference portal by 5th September 2016. To submit go to [www.regionalstudies.org/conferences](http://www.regionalstudies.org/conferences) and follow the Student and Early Career Researcher Call for Papers 2016 link.

Proposals will be considered by the Conference Programme Committee against the criteria of originality and interest, subject balance and geographical spread.

**RSA organiser:** Lesa Reynolds - [lesa.reynolds@regionalstudies.org](mailto:lesa.reynolds@regionalstudies.org)

**Academic organiser:** Ignazio Cabras, Newcastle Business School - [ignazio.cabras@northumbria.ac.uk](mailto:ignazio.cabras@northumbria.ac.uk)

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