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Place – a new paradigm in regional and local development?

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Ambleside Professoriate Lecture, Percival Lecture Theatre, 20th November 2018

Place – a new paradigm in regional and local development?

- Paradigm – what do these look like in regional development?
- Place – how is this concept applied to theory and practice?
- What's new about this – in the intellectual basis and/or the policy arena?

Place – a new paradigm?

- Paradigm – working assumptions, procedures and findings routinely accepted by a group of scholars which together define the community that shares these ideas and practices.
- Paradigm shift – emergence of a “new” set of assumptions and procedures often predicated on critique of previous thought.
- Concept historically applied to academia and sub-disciplinary structures.
- Originally applied to ways of understanding “science” but since 1970s, widely applied to social sciences including those associated with “regional development”

Place – a new paradigm?

- Paradigm in context of regional development – a new way of thinking about policy and practice?
 - Pugalis and Gray (2016) “New regional development paradigms: an exposition of ‘place-based modalities” Australasian Journal of Regional Studies 22(1) 181- 203
 - Harrison J (2014) The rise of the non-state “place-based” economic development strategy Local Economy, V 29(4-5), 453 – 468
 - Rodrigues-Pose A and Wilkie C (2017) Revamping local and regional development through place-based strategies Cityscape: a Journal of Policy Development and Research 19(1), 151- 170

Regional and local development

- Refers primarily to a policy context rather than a specific discipline.
- Draws ideas and practices from a range of cognate disciplines:
 - Economic geography
 - Regional economics
 - Political economy
 - Sociology
- Paradigms – assumptions, procedures and findings routinely accepted by a group of scholars and policymakers - have complex origins in this interdisciplinary field.
- Paradigms – sometimes presented as a linear sequence over time but increasingly co-existing and highly contested.

Paradigms in regional and local development

- Disciplines centrally involved in debates in regional and local development bring various “ways of thinking” to the table.
- Contributing disciplines are not static but are themselves subject to shifts in dominant ways of thinking.
- Different ways of understanding “space” and “territory” affect both theory and practice in regional development
- Some examples to illustrate this:
 - Spatial science – the science of space – 1960s – resurgent since 2000
 - Behavioural approach to space – cognition and spatial decision-making 1970s
 - Structuralism and regions – uneven development 1970s-80s
 - “Cultural turn” – geographical representation and identity politics 1990s

Spatial science – the science of space

- Dominant paradigm in economic geography in 1960s-70s
- Remains the dominant mode of thinking in regional economics – regional science
- Guiding principle – that spatial patterns can be measured and modeled by building accurate empirical generalisations that have predictive power
- Search for empirical regularities across space and construction and testing of hypotheses using quantitative data
- Associated methods – sophisticated statistical models to explain spatial distributions
- Resurgent in economic geography since 1990s under guise of the “New Economic Geography” (NEG) pioneered and promoted by Krugman

Spatial science and New Economic Geography

- Much work in this tradition focuses on centralising forces to explain spatial unevenness – the most marked feature of spatial distribution of production.
- Economic activity is subject to agglomeration economies
 - External economies of scale
 - Localisation economies
 - Urbanisation economies
- Innovation is spatially concentrated
- Knowledge spillovers between firms and industries are localised
- Places are defined over time by an evolutionary process

Critique of Spatial Science

- Spatial science approach has been challenged in various ways:
 - It assumes that “space” is a neutral canvass upon which social, economic and political processes operate;
 - That spatial differences can be attributed to spatial causes that can be modeled in data;
 - That there are “spatial laws” independent of the social and economic processes that occur.
- Rather:
 - Space is not neutral but it fundamentally affects the way socio-economic processes operate;
 - Spatial regularities may exist, but explanation lies not in “spatial theories” but new versions of social and economic theory that consider space;
 - Many economic theories are “space-blind” – but consideration of space alters the economic and social theory;
 - Spatial problems may not have a spatial cause – this assumption tends to “blame the victim” for regional problems.

Theories of uneven development

- Spatial science – predicated on the (often implicit) notion of “equilibrium” –
 - that spatial imbalance over time will be subject to market correction;
 - See this in the language and concepts used – agglomerative forces (unquestioned), State intervention to address “market failure” in peripheral regions;
- Proponents of “uneven development” argue that
 - development is inherently uneven;
 - space and spatial difference plays a key role in socio-economic processes;
 - Space is not a blank canvas.

Uneven development – *spatial* divisions

- Inspired by generation of radical geographers
- Capitalism evolves through social relations between capital, labour and the State
- A key concept is the “division of labour” – but theory is weak because it lacks consideration of the role of space in this process;
 - Capital is relatively mobile – labour less so. Therefore social relations are affected by geography – and vice versa;
 - Regional development in the UK – can be interpreted as a sequence of different “spatial” divisions of labour that are the outcome of decisions designed to maximise returns to capital;
 - The “roles” assigned to different regions depend in part on past roles – an evolutionary process or “combination of layers of investment”
 - Regions can also be excluded, de-industrialised, made redundant, chastened by job loss, then drawn back into economic system under new terms and conditions.
 - Unevenness is normal – unevenness is inevitable.

Uneven development in Cumbria

- Since 18th century – phases in development of the Lake District visitor economy from niche to mass market – Arguably, a *spatial division of labour based on culture and landscape*
- 19th century sector based development – geographical concentration of linked industrial processes associated with mining, steel, shipbuilding; co-existing with continuing resource extraction and farming output – a *sectoral spatial division of labour*;
- 1940-50s – development of nuclear industry *additional role in a sectoral spatial division of labour*
- 1960s branch economy – build partly on the decline of previous role in the division of labour, new “round of investment” in post war manufacturing – a *functional spatial division of labour*; also gender divide; carefully inserted in the County to minimise competition for labour;
- 1970–80s - private and public back office decentralisation - *functional spatial division in services*;
- 1980s – renewed pace of mobile global investment in vehicles, electronics from Far East and USA into the UK focused on Scotland, NE, Wales, M4 Corridor – Cumbria marginalised by absence of large skilled labour reserves (CRED analysis of labour market trends 1980-1990s).
- Contemporary Cumbria – the product of this unique combination of historic divisions of labour.

Uneven development in Cumbria

- So if Cumbria “underperforms” in a particular way, where do you look for the “explanation”?
- Spatial science – look for spatial correlates, local factors that might inhibit performance in the here and now; But if you find this, is this an adequate “explanation”?
- Proponents of uneven development argue – “explanation” lies not in spatial correlations but in understanding the way in which Cumbria (or parts of Cumbria) have been drawn into (or excluded from) successive spatial divisions of labour;
 - “Explanation” is systemic – how the economic system has produced the conditions observed;
 - “Explanation” therefore involves understanding historic development;
 - “Explanation” requires appreciation of the role of social and power relations between regions – an acknowledgement that space is “relational” – peripheries v core; urban v rural, branch v headquarters; information rich v information poor.
- Inhabited world not a set of discrete regions (containers) with their own fixed essence (difference) but “open” and continuously changing through the **ways regions (places?) relate to one another over time.....**

Paradigms in regional and local development

- Often presented as a sequence over time as new paradigms challenge existing ones – perhaps some validity in this 1960s – 1990s.
- Notion of “paradigm shift” can be applied loosely but reality much more complex and paradigm’s co-existing and competing.
- Since 1990s, difficult to discern “dominant” paradigms – old ways of thinking revived alongside new concepts and terminology.
- So my question – what is “new” about place-based development – either the intellectual basis that underpins it or the approach to policy and practice associated with use of the term?

Place-based development?

- The Barca Report (2009) An Agenda for a Reformed Cohesion Policy – A Place-based approach to meeting EU challenges and expectations” prepared for Danuta Hubner, Commissioner for Regional Policy.
- Place-based – “aimed at tackling *persistent under-utilisation of potential* and *persistent social exclusion* in specific places through external interventions and *multilevel governance*” (vii)
- Assumption – that public interventions that rely of local knowledge “*are superior to those that do not make explicit and accountable their territorial focus...*”
- Place-based – the responsibility for *policy design* and implementation is allocated among different levels of government supported by contractual relations and trust”
- The State does not necessarily know best – *citizen scrutiny is essential* – engaging with a range of non-state actors
- Approach described by the OECD as a “*new paradigm in regional policy*”

Place-based development?

- Barca report given impetus and credibility through wider engagement with academia – regional science, economic geography;
- Barca, McCann, Rodriguez-Pose (2012) “The Case for Regional Development Interventions: place-based versus place-neutral approaches” *Journal of Regional Science* 62(1), 134-152
- Contrasts place-based with place-neutral approaches – i.e. the place-based approach is based on a critique of the latter.....
- Grew out of a debate (dispute?) between World Bank, OECD and the European Commission about the role of market forces in spatial economic development and the merits of spatial targeting in policy design and delivery.

Place-neutral development?

- Place neutral approach – policies that are designed without explicit consideration of space.....
- Underlying assumptions –
 - That national strategies should be able to address economic and social needs of people without the need for spatial targeting;
 - That unevenness in the way a policy operates is generated by market failure or inefficiencies in the way markets operate;
 - Therefore, the way to address this is to create a system that encourages and facilitates “free movement” of labour, capital and knowledge – “Free movement” is the most effective way to generate efficiency, guarantee equal opportunity and improve working lives;
 - Factors of production should be encouraged to move to where they are most productive – most likely in cities or spatial concentrations;
 - Concentration is a “natural” tendency in the capitalist system and most likely to foster overall economic growth;
 - Encouraging mobility allows individuals to live where they expect to be better off which boosts individual incomes, productivity, knowledge and growth.

Place-neutral development - critique

- Geographical context matters;
- Left to their own devices, free movement might reduce some market inefficiencies but they also tend to *create other inefficiencies*;
- Cities enjoy positive spillovers and agglomeration benefits but also negative externalities (agglomeration diseconomies) associated with overheated markets, congestion, pollution. The costs of these externalities do not impinge upon individual decision-makers;
- So called “space-neutral” policies have unintended (and perhaps sometimes intended) spatial effects that are not made explicit;
- Belief that “space-neutral policies” tend to promote cities;
- Place-neutral policies have unpredictable and uncertain outcomes across space – mediated through complex social, cultural and institutional characteristics of places.

Place-based development?

- Need to ask - who knows what to do, where and how?
- So place-based development is not simply a case of re-scaling spatial policy – a drift from intervention in “regions” towards “locality” - the scale at which daily lives are led.
- It is fundamentally about governance – how decisions are made.
- There are unused resources in all regions (places) which are “unrecognised from afar” Local actors are best placed to unearth these resources.
- Place-based – “shifting institutional relations and scalar reworkings” (Pugalis and Bentley 2014)

Place-based development?

- Belief that spatial outcomes need to be directed and managed;
- One key policy concept from this approach has been the smart specialisation thesis;
- Regions need to specialise in different knowledge-related sectors depending on their capabilities;
- Central policy needs to set a framework for “entrepreneurial discovery” involving mechanisms to support interaction between local State and non-state actors as well as national institutions;
- Place-based development is not simply a shift to bottom-up policymaking – “it is based on development of multi-level governance framework to bridge the national and the local....” (Hildreth and Bailey 2014)

Place-based development in the rural?

- Even primarily rural regions have the potential to make substantial contributions to economic growth by achieving high levels of productivity in the activities in which they are best suited (OECD argument)
- *“the economy as a whole can reach its total output frontier by developing places of different sizes and densities because it is the performance of the urban and regional system as a whole which is critical, rather than just the cities at the top of the hierarchy”* (Barca et al 2012; p.149)

Place based development – critique

- The place-based approach (as defined and promoted by Barca et al) has been subject to critique (see Celata and Coletti (2014))
- Badly managed, the rescaling process suggested by the “place” argument can generate fragmentation and weak structures;
- Can result in institutional chaos and lack of coordination between different scales
- Can result in territorial introspection and lack of attention to the need for cooperation across boundaries
- Can be the cause of unhelpful competition between territories
- Can result in local “policy-capture” where local and regional elites are given opportunity to control public resources
- Can be frustrated by the risk-averse culture in local partnerships – seek comfort in the tried and tested – what we have always done and what appears to have worked for others

A new paradigm in regional analysis?

- Questionable – the place debate has grown out of a policy arena and the place concept remains contested in academia – short hand for a range of approaches and conflicting approaches;
- Huggins and Thompson 2015 – attempt to colonise the concept of place in building spatial models in regional science
- Culture and identity affect economic growth and statistical models of growth do not capture these influences;
- Need to find measures of “economic culture” to add to models – “entrepreneurship, innovation, risk-taking and more general economic motivations and opportunity development” (p 132);
- “Place” is therefore captured in range of data on “entrepreneurial intention”, risk and opportunity taken from GEM database (Global Entrepreneurship Monitor);
- Measures of economic culture added to regression models – attempt to incorporate “place-based” variables into an existing paradigm.

A new paradigm in regional analysis?

- In contrast, other authors (e.g. Celata and Coletti 2014) – attempt to shift the place debate towards a *relational understanding of space*;
- Need to develop understanding of *place-to place relations* where territories are viewed as unbounded and open;
- View territorial organisation as a *set of nodes and networks* rather than fixed containers;
- Develop thinking around “*politics of propinquity*” – places are defined by assemblages of identities, perceptions and vested interests which may be impossible to aggregate – socio-spatial relations are cultural diverse and conflictual;
- Need to consider the “*politics of connectivity*” – place to place relations that are built on a “new ethic of responsibility and solidarity”.

A new paradigm in regional analysis?

- Massey (2005) “for Space” challenging the concept as given and offering provocative perspectives – the elusiveness of place and “throwntogetherness” in time and space;
- The elusiveness of “place”;
- Yet the apparently “timeless” evocations of place that reside in nature.

A new paradigm in regional development?

- Debates about the meaning of “place” have impacted on the intellectual basis of this field of study;
- But this debate around the term or concept of “place” does not present itself as a coherent set of commonly accepted “working assumptions, procedures and findings”
- Rather, use of the term “place” is diffused across many sets of assumptions and the debate is fractured and fragmented.
- The term (if not concept) is **CONTESTED** in academia by scholars working in different traditions.

Place- a new paradigm in regional policy?

- Old paradigm – place-neutral policies feed growth. Regional policy seeks to compensate lagging regions to address “market failure” – a redistributive model
- New paradigm – place-based policies all places can grow if you address spatial particularities – address inequality in policy design
- How is this done – institutional reform, multi-actor collaboration, addressing power asymmetries local-local, local regional national
- Stronger argument that this a a new way of thinking about policy – but moving from concept to implementation has major challenges.

Place-based - a new paradigm?

- Not in academia – the meaning and significance of “place-based development” is contested across many different traditions;
- Perhaps in policymaking – challenges convention where regional policy is used to correct the failings of largely space-neutral policy interventions;
- But even in policymaking, how is place-based development understood, accepted and practiced and is it being done?

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