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Place-based Policy, Place Sensitivity and Place Leadership

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Enhancing Relevance, Sharpening Our Understanding

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1 Introduction

In this writing, I visit the very basics of the concepts of place, policy and leadership. First, I take a quick look at place and policy and, second, I bring them together in a section focused on place-based policy, and, third, I take a quick look at place sensitivity. Fourth, I briefly discuss the differences between place-based policy and place-based leadership. I follow Edquist (2019, 869), who 'stipulates' definitions for analysing the Swedish innovation policy: "stipulative definitions are not right or wrong; they are good or bad depending on whether they are reasonably clear and serve the purposes in question". For the reasons presented below, the concepts used in this paper are, at their best, stipulative by nature.

The concept of development would also be crucial to define here. However, as there is no space to include yet another concept, I simply define it to refer to the process of social and economic transformation, which is conditioned by complex cultural and environmental factors and their interplay. Development is, thus, about change towards an improved or more advanced condition. To understand regional development, we need to understand how events in time are dependent on each other and identify the direction of changes. Development also necessitates value-based assessment to determine whether the change is 'good' or 'bad'. And thus, importantly, to say anything sensible about place-based development, differing values, a heterogeneous set of intentions and societal goals should be included in the analysis, one way or another.

2 Place

Region and territory have been the core concepts in geographical thinking since the late 19th century. Place is a more recent addition in the geographical vocabulary (Paasi, Harrison & Jones 2018). In spite of their varying histories and the amount of academic work focusing on them, place, region and territory belong to a group of elusive concepts. They overlap semantically in many ways, but each one has its own history and meaning (Entrikin 2018, 44–45). I focus on the concepts of region and place.

As Paasi, Harrison and Jones (2018) write, 'region' is a scalable concept. In regional studies, a region usually refers to a subnational scale, but it may also be applied to a supranational scale (e.g. the Baltic Sea Region, the Middle East Region). In brief, conceptually, by definition, a region ought to be homogeneous in terms of some specific criteria. The most often used criteria are functional, administrative, cultural and/or social. Thus, a region should be distinguishable from bordering areas by a distinct combination of related features. Importantly, 'a region' does not have a determinate size. Therefore, in academic research, ideally, 'region' is an analytical concept – a focusing device – and, therefore, it should be defined for each piece of research. This is not always the case. Importantly, the borders of regions are spatio-temporal phenomena that can change over time. Borders are simultaneously both open and closed depending on the social practices and discourses that construct and shape them (Paasi & Zimmerbauer 2016).

For its part, place involves, according to Entrikin (2018, 48), a sense of belonging, a sense of presence and being in an environment. Drawing on Cresswell (2004), Collinge and Gibney (2011) state that the concept of place includes three dimensions: (a) *location* – the fixed geographical coordinates of a physical location; (b) *locale* – the material settings for social relations; and (c) *the sense of place* – the subjective emotional attachment people have to places they inhabit (Collinge & Gibney 2011; Cresswell 2004). Place is “the geographical context for the mediation of physical, social and economic processes” (Agnew 2011, 3–4). Consequently, place also emphasises human experience and subjective views on development.

There is no need or space here to discuss the concept of place in depth in relation to other core concepts of geographical inquiry. Paasi, Harrison and Jones (2018) provide a comprehensive view on them. In this report, I acknowledge the many efforts of all those scholars who have boldly aimed to make sense of the complexity around the concepts of region, place, space, territory and so forth, and who have taken pains to define them for conceptual clarity. However, I tend to align with Entrikin (2018, 54), who maintains that “there appears to be little hope for a sophisticated convergence of meaning and use [of these concepts], even less so for place than for region”.

In sum, the concepts of place and region are both scalable, they overlap in many ways and are perhaps more nested than parallel, with ‘place’ adding a human touch in studies focused on sub-national phenomena.

3 Policy

The concept of policy refers to “a course or principle of action adopted or proposed by an organization or individual” (Webster’s Comprehensive Dictionary 1996). Generally, a policy is a deliberately formulated system of principles and related objectives to guide decision-making and make it as rational as possible (Parsons 1995). In all instances, as Birkland (2016, 20) maintains, public policy is made in the ‘public’s’ name and, thus, government is responsible for public policy and generally formulates or initiates policies even in cases with extensive participation of various societal groups. Importantly, a policy is what the government intends to do, but it is also about what a government decides not to do. Public policies are defined and shaped in a political process, and, in the 21st century, there is great emphasis on the engagement and contribution of various stakeholders, including community groups, higher education institutions and private sector actors.

Of course, policymaking is notoriously difficult, and during the last few decades, several schools of thought have emerged and experimented with it, and in some cases developed it further. Policymaking is challenging because, according to Dryzeck (1993), (1) the general laws of society on which a policy could be built are almost unattainable. Moreover, (2) social goals are seldom clear and uncomplicated, and the values on which these goals are based are open to debate. (3) Public debates revolving around policies are many-sided and complex, and sometimes volatile. (4) The intentions of people or influential societal groups may override the

causal generalisations and bold ambitions of policymakers; that is, people may choose to act differently. Finally, (5) it is not possible to empirically verify policy interventions without them being realised (Dryzeck 1993, 218). Public policy is a struggle in a society, culminating in a government, over who gets what and why.

4 Place-based policy

Place is a scalable concept, which draws our attention to a specific location, its institutional settings and meanings for people. The concept of policy, for its part, leads us to focus on public efforts to shape the development of places. Thus, a place-based policy directs our attention to public efforts to boost the development of specific places by taking into account people's values, local assets and knowledge as well as locally derived visions and intentions. And indeed, regional development scholars and policy practitioners engage in lively contemplations on new modes of local and regional development. In the 2010s, especially in Europe, a place-based policy approach and its incarnation of smart specialisation have been dominating these efforts.

To shed light on the place-based approach, drawing on Barca et al (2012), I contrast it with the spatially blind approach. In the regional studies community, less surprisingly, it is generally seen that policies ought to be highly contingent on the context in which they operate. The place-based approach assumes that geography truly matters. Indeed, as Barca et al. (2012, 139) argue, local/regional development strategies should not be spatially blind and, thus, indifferent to the specificities of places and to geography. Moreover, they remind us that space-neutral policies are never as neutral as their advocates assume; policies always have – intended or not – spatial effects.

The institutional characteristics of places in many ways shape development trajectories and, thus, ought to serve as a point of departure for policymaking. Therefore, the place-based approach relies more on locally embedded knowledge than the spatially blind approach, which aims to build on general patterns of societal and economic development. A spatially blind policy draws on an assumption that by encouraging mobility, a more even geographical distribution of wealth can be reached (Barca et al. 2012). According to Barca et al. (2012), spatially blind approaches confuse correlation with causality, which makes it difficult to exercise evidence-based policy. The place-based approach is built on an assumption that the geography of institutions as well as locally embedded knowledge and action ought to be the cornerstones of place-based/local/regional development policies. As Bailey et al. (2018, 17) argue, there is a need for “an integrative approach, with a mix of appropriate inclusive policies across a range of policy domains, reflecting the desired and aimed-for competitive advantage of regions”.

According to Tomaney (2010, 6), a place-based approach is about the following:

“the identification and mobilisation of endogenous potential, that is, the ability of places to grow drawing on their own resources, notably their human capital and innovative capacities. This approach aims to develop locally-owned strategies that can tap into the unused economic potential in all regions and are the basis for strategies that tackle questions of sustainable development and human

wellbeing. Such approaches require strong and adaptable local institutions, such as regional development agencies”.

Place-based policies call for a well-established local capacity to manage local resources, the mobilisation of both key economic actors and community groups, engagement of local higher education institutions (perhaps also those external to a region) to support innovation through suitable mechanisms, and continuous update of the local institutional capacity to adjust to changing situations (Morgan et al. 2009).

5 Place-sensitivity

Above, I highlighted the importance of a place-based regional development approach and related policies. Furthermore, I want to stress that regional development policies may be highly sensitive to the needs of a place in question without being solely place-based.

The Merriam-Webster Dictionary defines ‘sensitive’ as “capable of being stimulated or excited by external agents; highly responsive or susceptible; calling for tact, care, or caution in treatment; and having or showing concern for a specified matter (non-relevant specifications excluded)”. Consequently, place-sensitive policy, by definition, shows particular interest in the specific issues of particular places.

Rodríguez-Pose (2018) argues that solutions to enhance development in a particular place need to be place-sensitive – that is, they are expected to respond to time-specific, region-specific and actor-specific opportunities as well as the constraints of each place (Grillitsch & Sotarauta 2019; Iammarino et al. 2017). Place-sensitive policies are needed to enhance the opportunities of most places “regardless of their level of development or economic trajectory and taking into account local context” (Rodríguez-Pose 2018, 205). Iammarino et al. (2019, 273) call for a policy that would “strengthen Europe’s strongest regions but develop new approaches to promote opportunity in industrial declining and less-developed regions”. They label this kind of approach as ‘place-sensitive distributed development policy’ and argue further that “economic development policy should be both sensitive to the need for agglomeration and the need for it to occur in as many places as possible, because agglomeration can maximise the total future innovation output of the economy in the aggregate” (Iammarino et al. 2019, 289).

Iammarino et al. (2019, 294) further argue that “policies must be place-sensitive in the way we have defined. The specific mix and weight of instruments need to be tailored to the structural prospects of different kinds of European regions”. They categorise the types of regions that need place-sensitive strategies as follows: very-high-income regions, high-income regions, low-income regions and middle-income regions. I endorse Iammarino et al.’s (2019, 294) call for a place-sensitive distributed development approach and its ambition to “combat the under-utilisation of regions’ people and resources, to distribute development more widely”. However, I argue that their categorisation is useful at the European level, but – being static and highly aggregated – may not be as beneficial as assumed for and in regions. It leaves the actual development potential in the shadows, assuming that all middle-income regions, for example,

are similar. I suggest that there is a need for such a policy approach that would allow regional- and national-level actors to identify core strengths and assets collectively, mobilise key actors and construct place-sensitive strategies in a systematic and organised manner. This kind of process should not be based on a pre-categorisation of regions but a carefully designed process and skilful management of the policy process. This is what the smart specialisation agenda aims to achieve, and this is why place leadership is called for (Sotarauta 2018).

The two examples from the Nordic policy world, introduced below, are efforts to combine different governance levels in a coordinated manner. Both of them focus on innovation and regional development.

Two place sensitive policy programmes

The Finnish Centre of Expertise Programme (CoE, 1994–2013) and the Swedish Regional Growth through Dynamic Innovation Systems Programme (VINNVÄXT, 2003–present) are examples of place-sensitive policy schemes. Both programmes are based on a combination of bottom-up and top-down approaches in which place-based local strategies meet place-sensitive national coordination. One of the guiding principles in both programmes is competition between regions, which is believed to increase collaboration locally and regionally and the quality of proposals that are assessed for the inclusion in the programme. Regions need to mobilise all key actors to identify core assets and construct shared development strategies. Regional proposals must include representatives from higher education institutions, businesses and local and regional authorities (who usually coordinate the mobilisation and formulation of the proposal). The proposals are then evaluated nationally, and the best ones are selected to be included in the programme. The regional centres of expertise (Finland) or VINNVÄXT winners (Sweden) are organised somewhat differently from place to place, reflecting place leadership and the organisational capacity of a place.

In this way, the national policy supports strategy formulation and the related mobilisation and coordination of local/regional resources and capabilities in the context of nationally set objectives. The participating regions formulate a strategy that reflects their own needs and situation. The selected regional initiatives receive a relatively small amount of seed funding from the government, which they use to organise activities, manage networks and generate additional funding. For example, the annual basic government funding for the CoE period of 2007–11 was €40 million in total. Yet the total project funding was €195 million, including all initiatives (there were differences between regions). In Sweden, the seed funding is around €1m per year (per initiative) for 10 years, and also in Sweden the actual project portfolios of the initiatives are multiplied.

In Finland, in its time, the CoE programme was the only development programme focusing on clusters, regional economic development and innovation. During its first period (1994–98), eight regions (city-regions, in practice) were included in the programme. In 1999–2006, the programme enlarged to cover smaller and less knowledge-intensive regions as well as non-

technological fields of expertise (cultural business, chamber music, experience industry, design and new media). During this second period, 14 regions and two networks spanning several regions were involved. In 2003–2006, new regions were integrated into the CoE programme, and the number of regional centres totalled 22, of which 18 were regional centres and four were networked ones. The main ambition, both in Finland and Sweden, is that the initiatives will become internationally competitive in their respective fields within this period.

In Finland, the CoE programme’s objectives coevolved with the economic landscape and the meta-rationales of national policymaking (Kuitunen & Kutinlahti 2007). If the initial periods were rooted in a sectoral technology policy, the CoE programme was in 2011 overrun by the introduction of a broad-based innovation policy emphasising demand more so than earlier supply-oriented modes of activity. The third CoE programme period (2007–13) moved to emphasise the joining of regional resources and competencies at the national level. The programme introduced a new mode of operation and a ‘competence cluster’ was selected as the key organising concept. It became the focusing device for boosting regional specialisation while enhancing collaboration between regional centres of expertise. It was believed that a competence cluster would allow actors to more efficiently utilise resources and capabilities that were (and are) scattered in different regions. The ambition was to multiply the critical mass and, thus, strengthen the international competitiveness of the country and its regions. It was also believed that a cluster-based approach would decrease competition between regions (which was common) and increase collaboration between regions for international competition (Sotarauta 2012).

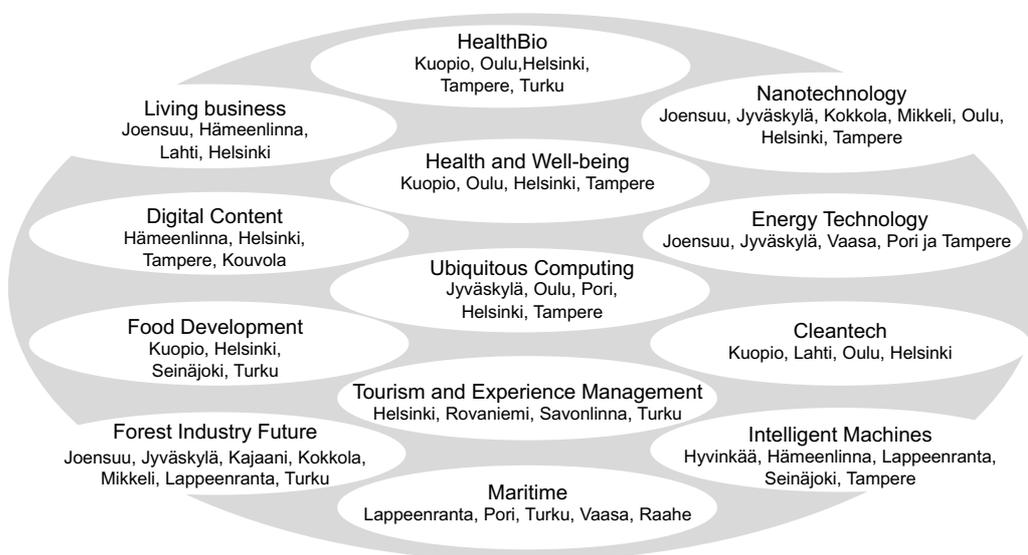


Figure 1. Example: the thematic competence clusters and regional centres of expertise 2007–13 (Source: Ministry of Economic Affairs and Employment)

In Sweden, according to Asheim et al. (2011), from the beginning of the VINNVÄXT programme, regions were defined in functional terms instead of following traditional administrative boundaries. Additionally, the programme adopted a broad view on innovation and explicitly tried to get away from the conventional high-tech/low-tech divide instead of focusing on platform strategies applicable to high-tech as well as low-tech projects. The first generation included such industrial fields as robotics, biotechnology and food production. Later, ICT for process industries, various applications of biomedicine and new niches for steel production, fibre optics, health care, industrial/environmental biotechnology, innovative textiles, geographical information systems, smart housing and experience industry were included in the programme.

Both programmes were initiated to enhance learning at the local and regional levels and to improve learning capacity among the core actors reflecting the Triple Helix metaphor. The VINNVÄXT programme presents itself as follows (VINNVÄXT a programme renewing 2016):

Politics/policy

- Provide a new policy tool for dialogue and collaboration in the form of innovative approaches
- Put the regions 'on the map'

Companies

- Companies connected to initiatives make better progress than others.
- Distinctly enhance cooperation with universities and research institutes.

The innovation system

- VINNVÄXT has made Triple Helix common knowledge throughout Sweden.
- VINNVÄXT has strengthened regional innovation systems and regional support structures.

Research

- VINNVÄXT initiatives attract leading researchers.
- Contribute to the development of research in universities by providing more resources and higher quality.
- Put research in a larger context.

Companies

- Strengthen R&D capacity as well as business and product development.
- Oldest initiatives have the strongest effect on companies' development.

Today, VINNVÄXT is seen as a tool for smart specialisation, and the CoE programme followed the same principles as the Smart Specialisation initiative already earlier. All in all, the programmes were and are essential tools for raising strategic awareness of the significance of innovation and for building learning and innovation capacities in Sweden and Finland. The underlying ambition of such a top-down construction explicitly encouraging bottom-up initiatives is to address system failures in a more customised way than traditional regional innovation policy has been able to. The programmes were designed to promote long-term sustainable innovation support, taking into account the specific needs and available resources in respective regions. As Cai et al. (2018) argue, the CoE programme intensified communication between (a) national, regional and local policy actors; (b) firms, the public sector and universities

across governance levels; and, locally, (c) firms, the public sector and universities. The CoE programme might be labelled as a focused and coordinated 'multi-scalar triple helix policy' with the aim of enhancing clustered specialisation (Sotarauta & Suvinen 2018).

In sum, the CoE and VINNVÄXT programmes have provided a collaborative context for collective contemplations between the main parties at different governance levels and have been aimed at improving place sensitivity, both nationally and regionally, and mobilising key stakeholders under a shared umbrella.

6 Place leadership

A place-based policy, which is an inclusive and bottom-up process, sensitive to regional needs, is expected to answer, in its own way, the main challenges of policymaking. These are, in the words of Sotarauta (2018), "how to identify regional assets, how to mobilize a wide spectrum of actors in a policy design and implementation, and how to choose priorities in a multi-actor and multipurpose context by reaching beyond sectoral interests and public sector predominance". The basic assumptions – the ideal – of place-based policy are to be welcomed warmly. Simultaneously, however, we should be aware of how demanding they are in practice. Place-based policymaking calls for new locally rooted skills and policy capabilities as well as place-based leadership. Indeed, any public policy process involves a complex set of elements, which are difficult to identify and make sense of. Additionally, causal relationships between factors influencing regional development are not easily identified.

Sabatier (2007) summarises some of the reasons why public policy processes are as complex as they are. Here, I focus on two which stress the need to better understand place leadership. Sabatier (2007, 3) captures the multi-actor nature of policymaking as follows:

"There are normally hundreds of actors from interest groups, governmental agencies, legislatures at different levels of government, researchers, journalists, and judges involved in one or more aspects of the process. Each of these actors (either individual or corporate) has potentially different values/interests, perceptions of the situation, and policy preferences."

Further, Sabatier (2007, 4) raises the everlastingly important issue of vested interests and a selective knowledge base for biased argumentation, which may lead to misrepresentations:

"A final complicating factor in the policy process is that most disputes involve deeply held values/interests, large amounts of money, and, at some point, authoritative coercion. Given these stakes, policy disputes seldom resemble polite academic debates. Instead, most actors face enormous temptations to present evidence selectively, to misrepresent the position of their opponents, to coerce and discredit opponents, and generally to distort the situation to their advantage."

For the above reasons, among others, several scholars have argued that place-based leadership need to be better understood in the world of regional development (Beer & Clower 2014), and especially so when emphasising place-based policies such as smart specialisation (Sotarauta 2018). According to Sotarauta (2021), in place leadership, the question is about seeing beyond

formal policies to identify the ways in which human interaction for place-based development can be enhanced, coordinated and directed. Place leadership may be an important target of attention because it guides us to ask questions related to the mobilisation of diverse groups of actors and coordination of their actions for collective good. By definition, place leadership works across institutional, organisational, geographical and/or sectoral boundaries to amplify the local power base and consequently strengthen its capacity to influence the development trajectory of a place (e.g., see Collinge & Gibney 2010; Sotarauta et al. 2018; Blazek et al. 2013).

According to this thinking, a place-based policy may provide place leaders with a platform to influence or place leadership may take place outside of the formal policy sphere or may work through several sectoral as well as regional policies to draw and pool resources for a particular place. In any case, the concept of place leadership directs our attention to actors influencing place-sensitive policy design and implementation and/or the ways that actors influence the course of events regardless of the policy apparatus.

“There seems to be a growing understanding of the question not only being about the need to co-design ‘better’ policies, to ensure much wider participation and inclusion in policy process and the continuing integration of governance, but very much also about the most appropriate ways of leading in and across all this activity.” (Sotarauta, Beer & Gibney 2017, 190)

7 Conclusion

The main general policy message of place-based and place-sensitive approaches is that one-size-fits-all policy recipes do not serve regions and localities particularly well. As Morgan (2017) states, place specificity ought to be the main lens used to formulate and shape the policy mix for regional development. More specifically, when focusing on a place-based policy, strong emphasis should be put on (a) local knowledge and collective contemplations as well as (b) the importance of pooling locally embedded knowledge and extra-local knowledge to serve local development, which, again, (c) stresses the importance of locally organised collective strategy processes resulting ideally in a shared vision and collective strategies. Consequently, (d) there is a need for public agencies and policy capabilities which allow leveraging both local and external resources and powers to change the local conditions to support transformation processes.

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