

Inspiring rural policy making – the role of the ESPON

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Development Clusters for Small Places and Territorial Cohesion Cities for more balanced and cohesive Europe?

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Theories of regional economic development

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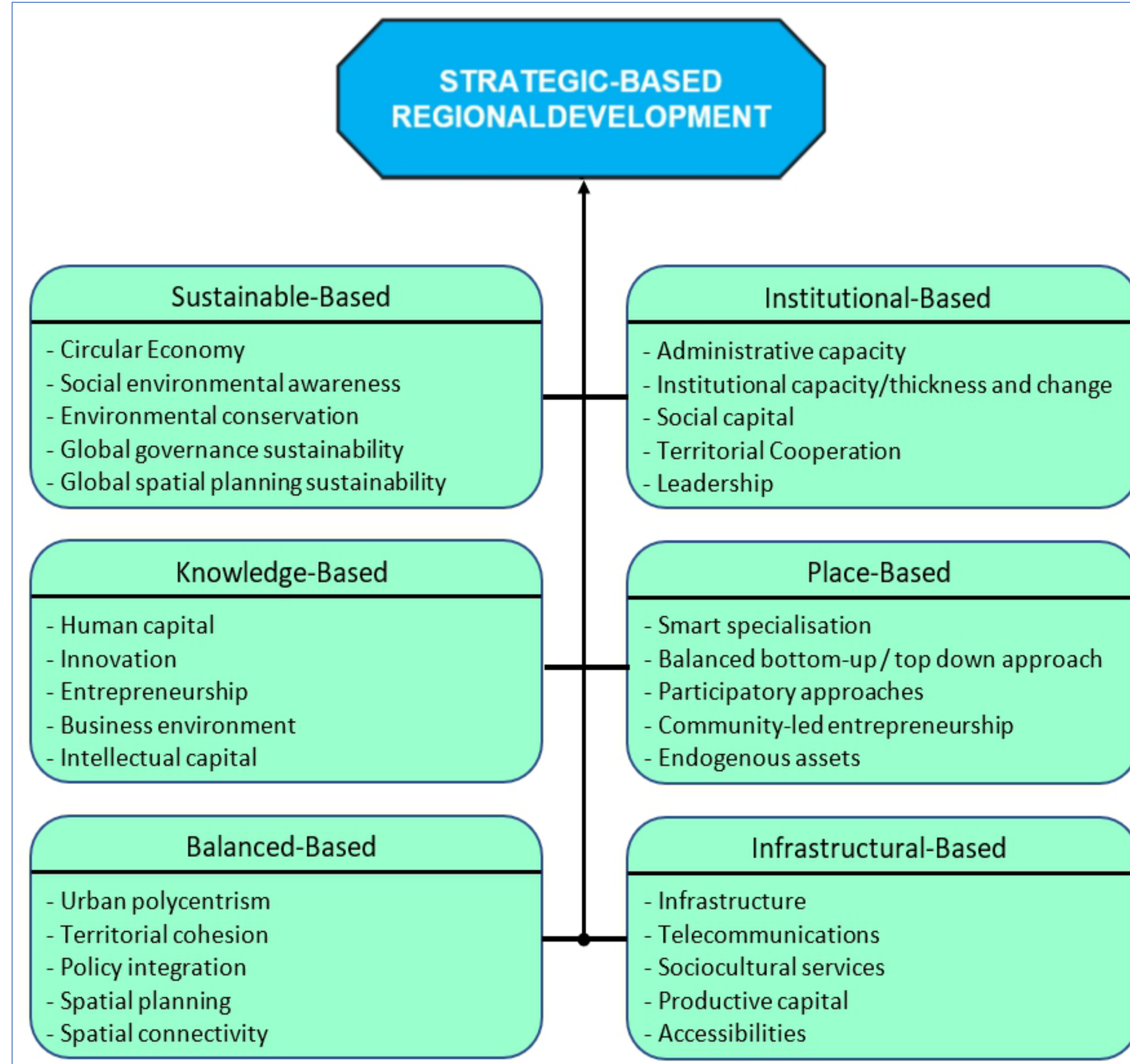
Theoretical paradigm	Rationale / Factors (sub-theories)
Firm Location Theory	- Regional development is largely dependent upon the existence of firms in the region / transportation costs.
Traditional Neoclassical Theories	- Regional development is mainly affected by factors related with supply capacity, including free trade among regions, perfect competition and information, technological progress exogenously determined, and an equilibrium growth path leading to a convergence of growth rates among regions / endowment and productivity (the 'Borts and Stein model' and the 'factor price equalization theory').
Keynesian Theories	- Regional development is largely demand driven / activities producing goods and services ('export-base theory' and 'input-output theory').
Core-Periphery Theories	- Regional development is inherently uneven as it contemplates advanced (leading) regions and under-developed (lagging) regions / resources endowment ('theory of cumulative causation', 'growth pole/growth center theory', and 'central place theory').
Functional Development Theory	- Regional development can be achieved by harnessing selected regional resources to create generative growth. Hence, it is possible to move a region to higher stages of development by organizing it around a principal function closely related with its resources endowment / investments funds originated in leading regions, reduce imports of goods and services and to reinvest locally the regionally created saving, decentralized regional administrative organization.
Stage Theory	- Regional development occurs through five stages: (1) traditional, (2) preconditions for take-off, (3) take-off, (4) maturity, and (5) mass consumption / technology, investments flows, physical infrastructure, skilled labour.
Disequilibrium Theories	- Regional development is boosted by disequilibrating forces / productive structure, technology, infrastructures, market dynamics ('schumpeterian dynamic disequilibrium', 'regional life cycle theory', and 'product life-cycle theory').
Neoclassical Endogenous Growth Theories	- Regional development depends not only on long-term regional growth as a result of accumulation of capital and labour, but also on endogenous economic factors / human capital, R&D, innovation, knowledge spillovers, and technological spillovers.
New Economic Geography Theories	- Regional development depends on the balance between centripetal (agglomerating) and centrifugal (dispersing) forces in determining the extent and form of regional concentration of economic activities / Centripetal: market size, transportation costs, cooperative and functional linkages between firms. dense labour markets with a diversity of skills. and external economies of

Source: based on (Sousa, 2010)

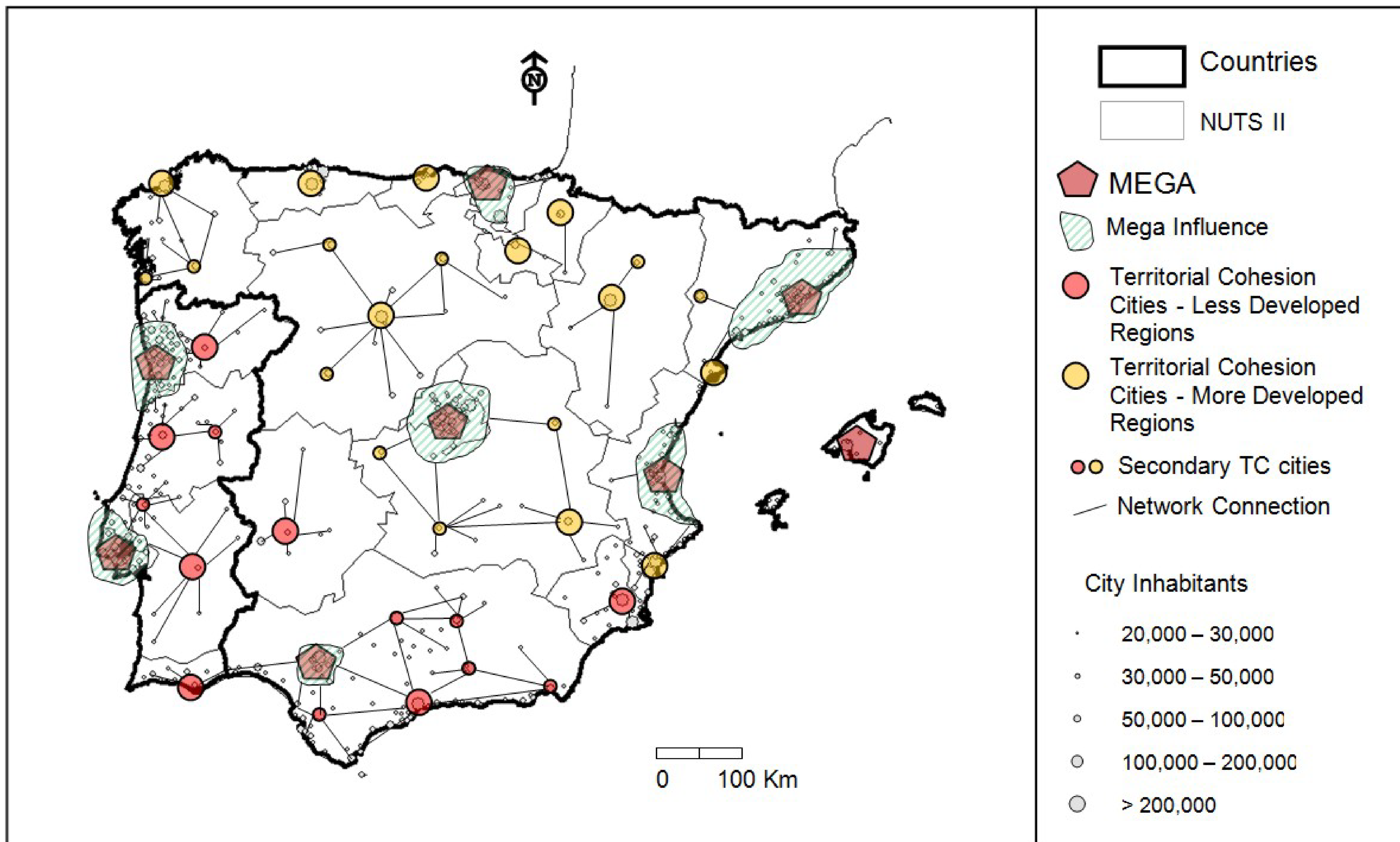
Theories of regional economic development 2

- Path creation: and the constitutive relationships between them: (i) institutional environments; (ii) key actors; (iii) market construction; (iv) regional and extraregional assets; (v) mechanisms of path creation
- Agency, structure, institutions, and discourse (ASID) features: (1) strategic economic agency in 'local' development; (ii) local–regional socio-economic organization and strategic agency; (iii) national–regional juridico-administrative-political regulation; (iv) reproduction systems: service providers; (v) global (corporate) market-economy agents and institutions; (vi) international cum national juridico-political-administrative regulation; (vii) sub- and counter-hegemonic and/or socially innovative agencies and movements; and (viii) 'eccentric' and 'leadership' individual agency and conjunctural dynamics.

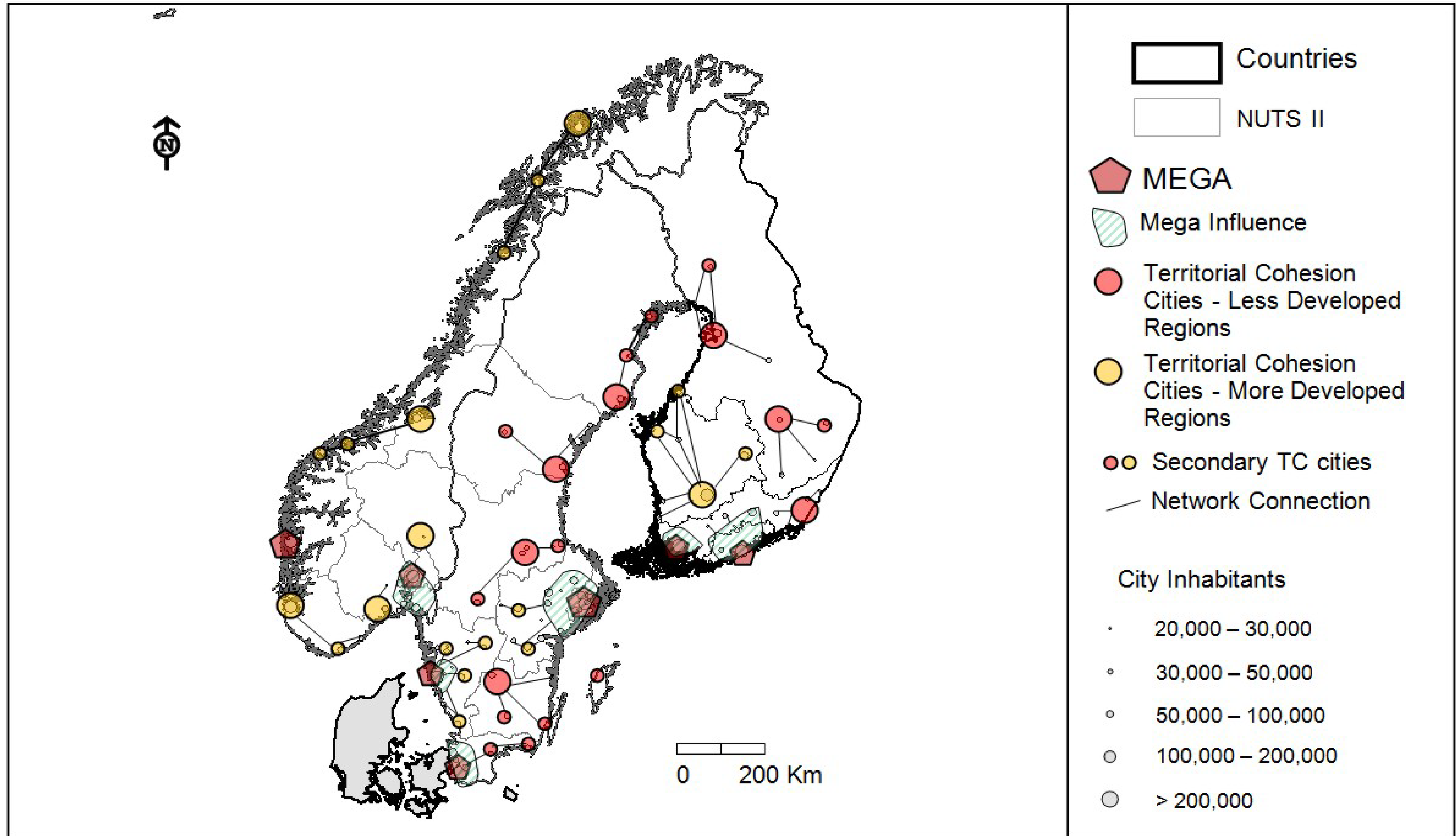
Strategic-Based Regional Development – Dimensions and Components



Territorial Cohesion Cities



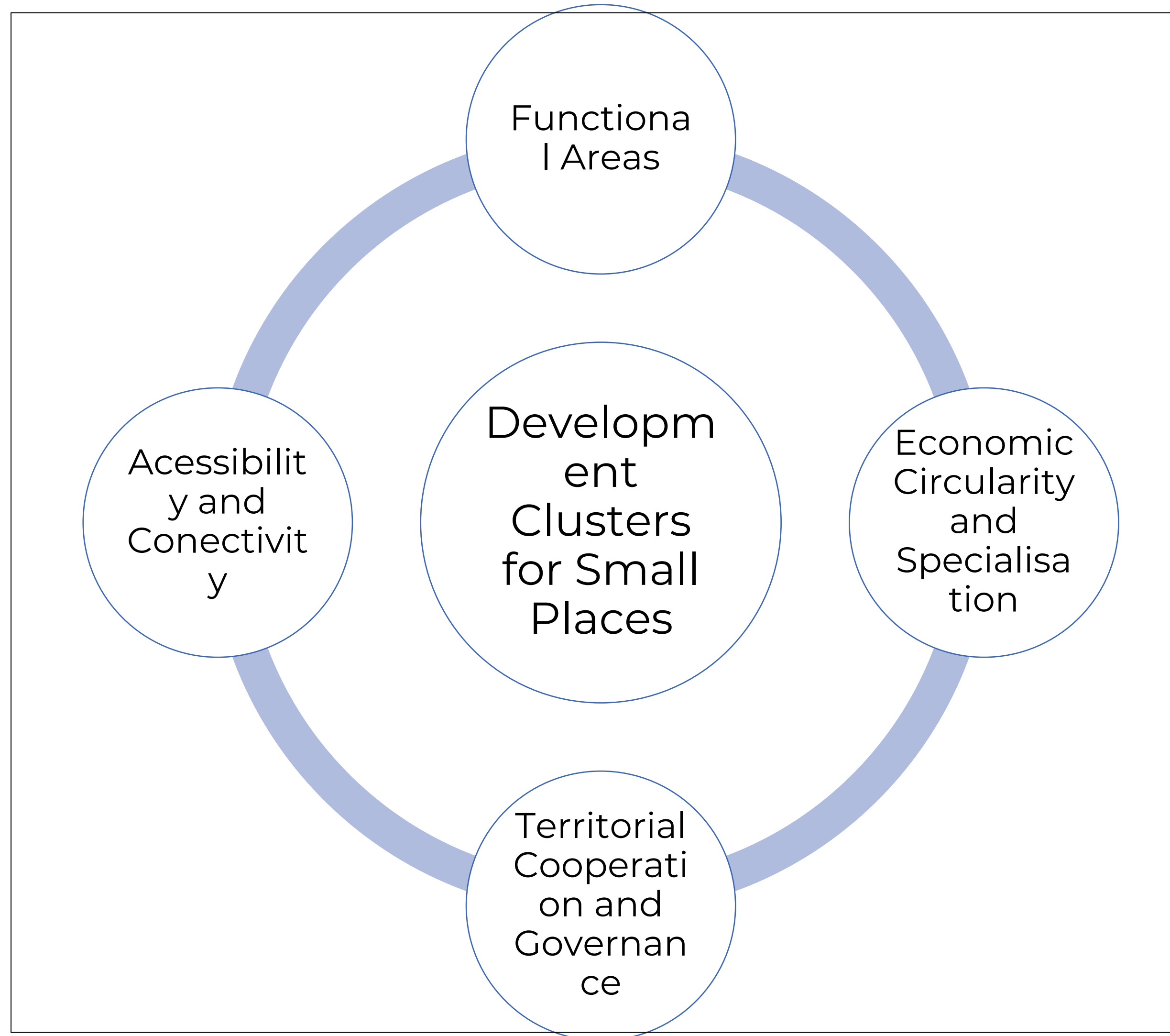
Territorial Cohesion Cities



Crucial elements to be considered when designing development strategies

- Labour markets (including talent development and attraction);
- Major infrastructure (e.g. major airports, interstate highways);
- Processes of supportive business;
- Cluster development;
- Political influence;
- Institutional capacity; and
- Proximity to markets.

Theoretical framework to delimit Development Clusters for Small Places

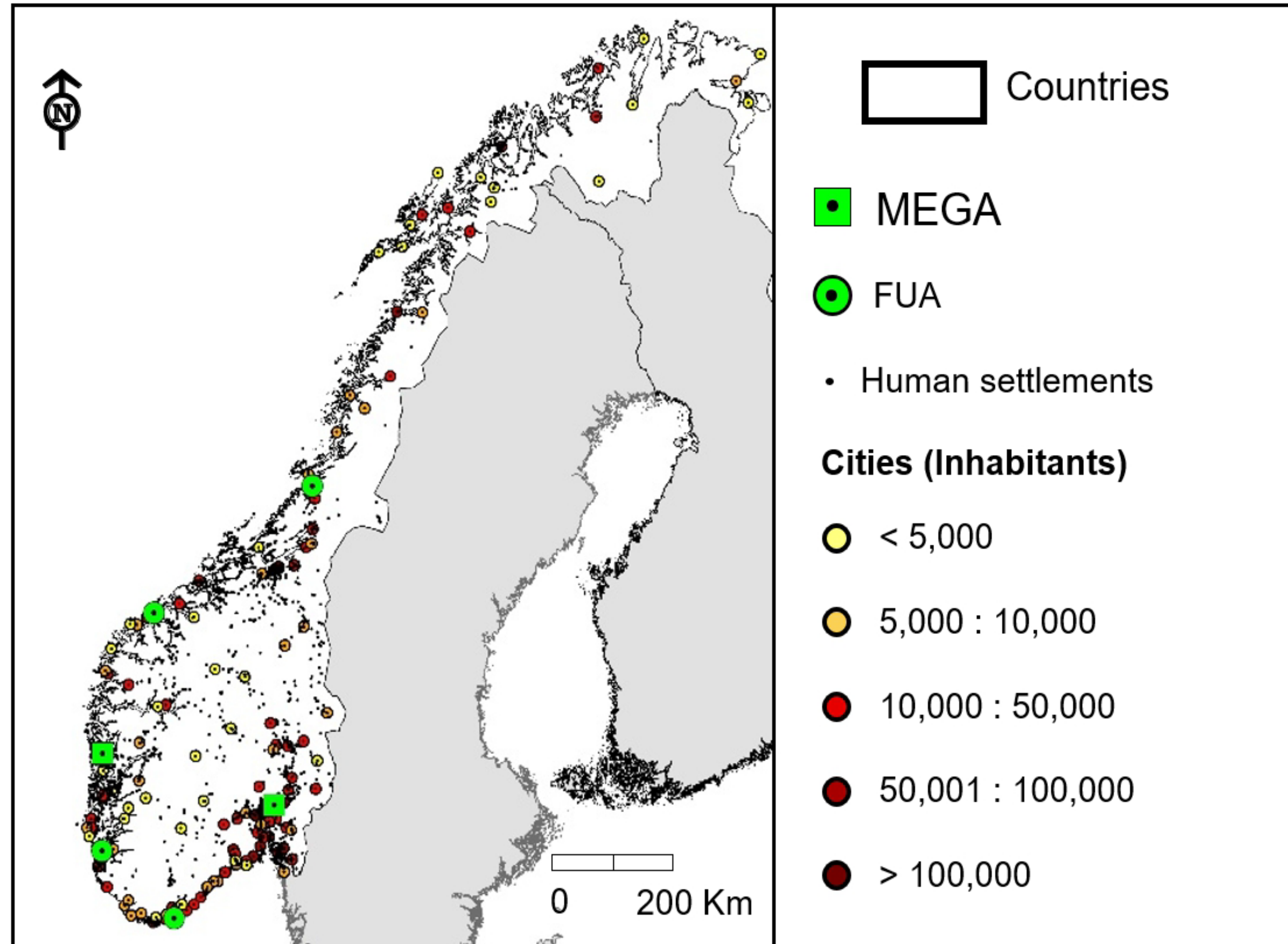


The policy rationale for Development Clusters for Small Places.

What is a small place?

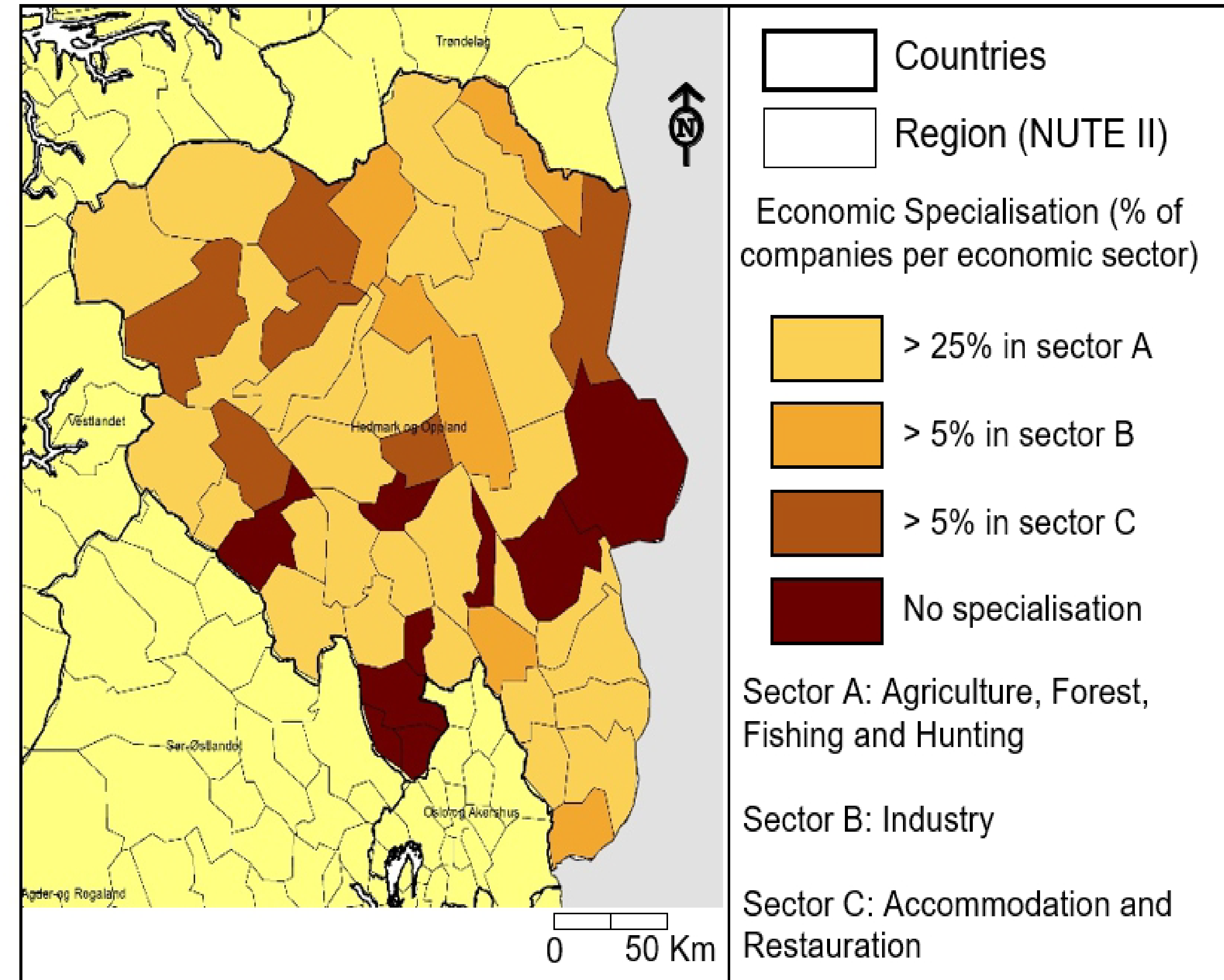
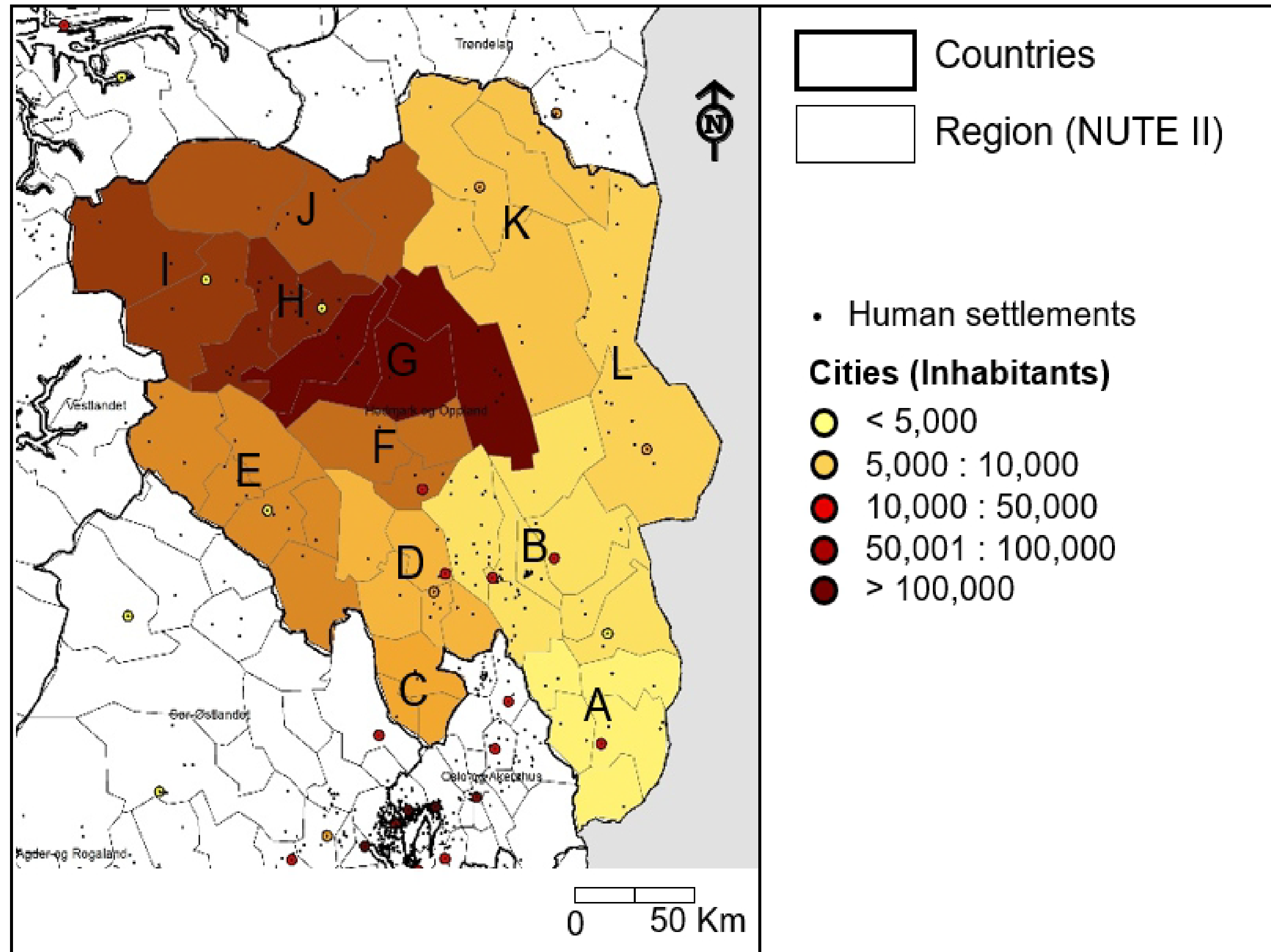
Based on the ESPON proposed typology of metropolitan areas, the regional and local functional urban areas (FUAs) could be regarded as small urban places at the regional level. These are, as seen, widespread across Europe, commonly surrounded by non-metro regions which are often correlated with rural areas. In a national territorial context, however, some of these supposedly small urban places are considered medium-sized towns and regional capitals. Hence, the conceptual definition of what is a small regional place might vary from country to country and will probably never be agreed. For this paper, small places are all identified as small towns/settlements, under a national planning definition, located in a non-metro region and normally surrounded by rural areas. They are under the influence of a medium-sized town and/or a metropolitan urban area in a type of FUA(s).

Development Clusters for Small Places in Norway



Urban places and localities in Norway. Source: own elaboration

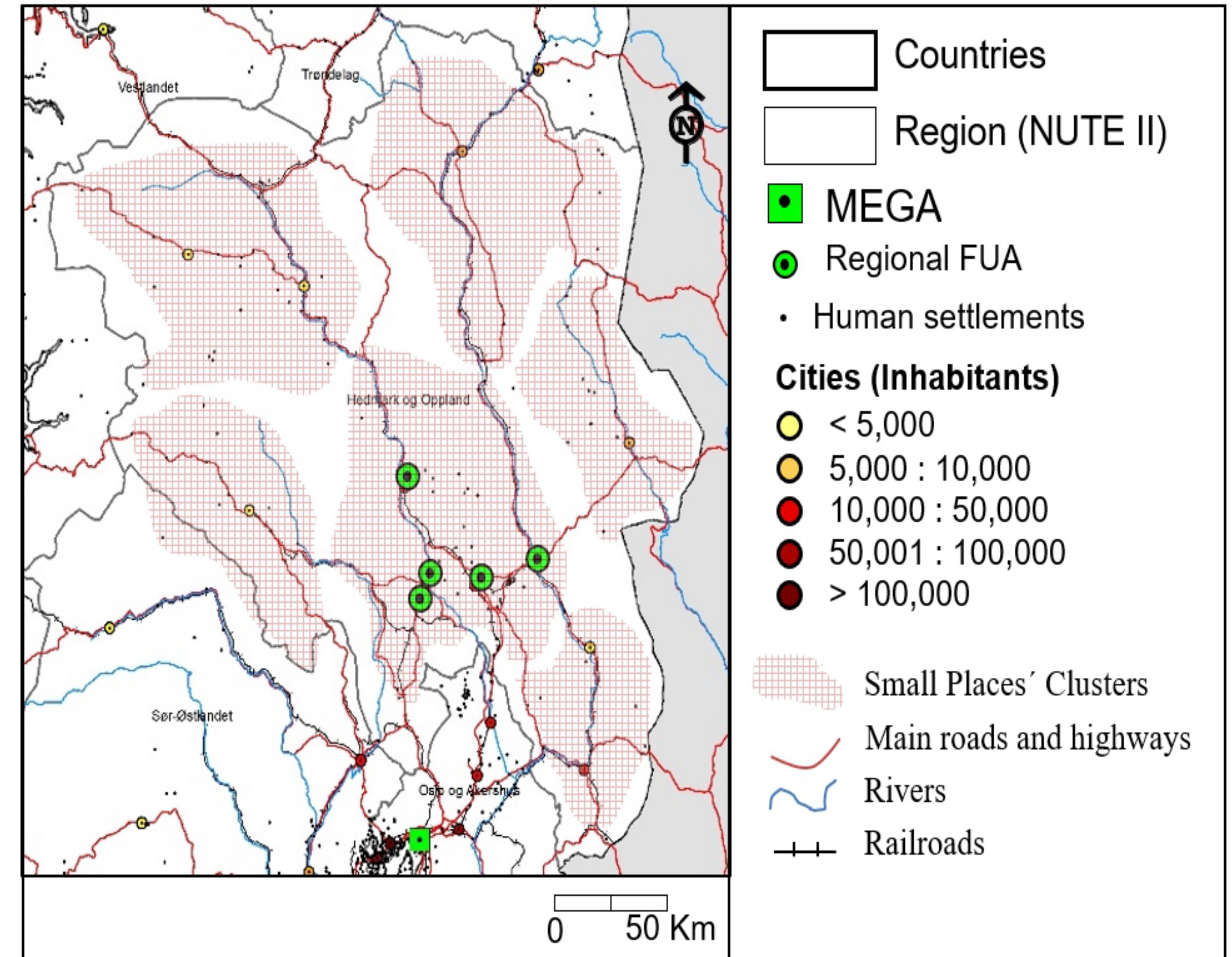
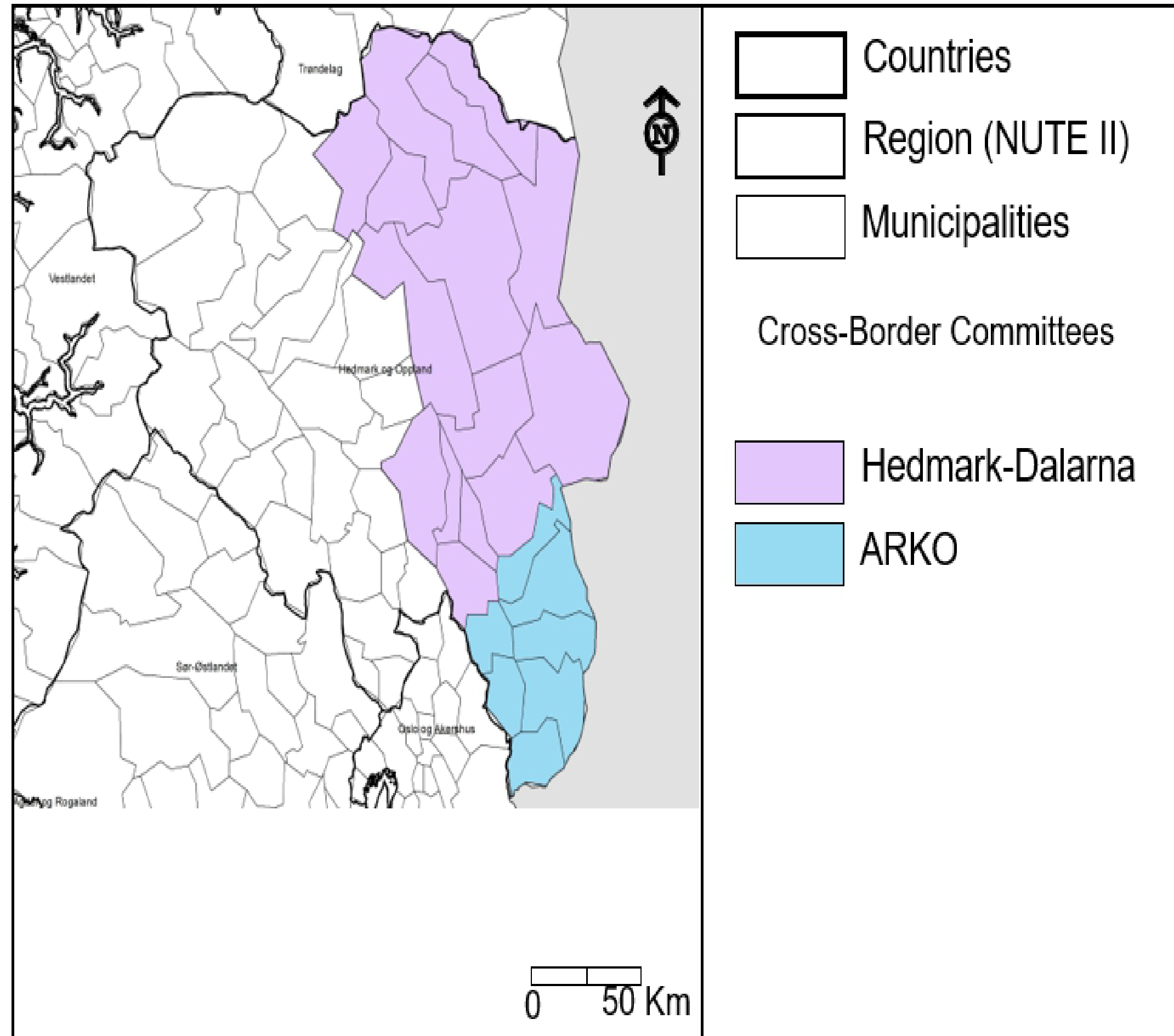
Development Clusters for Small Places in Norway



Local Labour Market Areas in Innlandet (Former Hedmark + Oppland regions) – Norway. Source: own elaboration based on (Nordregio, 2020). A: Kongsvinger; B: Hamar/Riggsaker; C: Oslo; D: Gjøvik; E: Nord-Aurdal; F: Lillehammer; G: Nord-Fron; H: Sel; I: Skjåk-Lom; J: Dovre; K: Tynset; L: Trysil.

Economic specialisation in Innlandet – Norway. Source: own elaboration based on national statistics.

Development Clusters for Small Places in Norway



Cross-border Committees in Innlandet – Norway. Source: own elaboration based on (Medeiros, 2014b).

Development Clusters for Small Places in Innlandet based on accessibility. Source: own elaboration



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