



A MODERN VIEW OF REGIONAL DEVELOPMENT

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Regional development has quite a lot of definitions. Generally, it refers to a broad category of policies aimed at reducing regional disparities within an economy or across economies by devoting resources to underdeveloped areas. Regional development can be national or international in nature.

In aspect of my research interests is the close connection between entrepreneurship and regional development. All the recent trends in regional development can affect development and specialization of entrepreneurship.

According to some researchers it is not only economic, social and environmental processes but also territorial governance and special planning-related processes (see Beer & Clower, 2020; Fouberg et al., 2012; Pike et al., 2011).

According to Knox and Marston (2015: 286) the processes of changing prosperity of a given territory can involve three types of changes: **changes in the structure of the region's economy** (for example, a shift from agriculture to manufacturing); **changes in forms of economic organisation within the region** (for example, a shift from socialism to free-market capitalism); and **changes in the availability and use of technology within the region**.

Development is a multidisciplinary concept. It not only affects the growth of per capita income and poverty reduction, but also the access to civil liberties, education and health, among others (Stutz & Warf, 2012).

The most stable among them is the sustainable based development which interconnects with national, regional and local development strategies (Sachs, 2015).

But regional development has also a regional dimension to common unevenness in economic development processes that has been largely exposed by economic globalization (Knox & Marston, 2015).

By definition, regional development is much more defined by internal factors as entrepreneurial ability, relational skills of local actors, and decision-making capacity than external.

Academic thinking on regional development also acknowledges the importance of endowing individuals, firms and territories with the factors that will allow them to place their skills, products or services in the global marketplace and to compete with others" (Pike et al., 2006: 13).

One of the new theories is the „new economic geography". It contributed positively to a major renewal of the local and regional development plans but it still brought a widespread concern that it still requires further improvements in combination between economic growth mechanisms and laws with territorial development features. Regional development still requires consideration of such crucial elements as social cohesion, environmental sustainability, spatial planning and governance related processes.

Moulaert & Mehmood (2010) propose the notion of ‘territorial innovation models’ of regional innovation, which consider the crucial role of local institutional dynamics as catalysts in innovative development strategies.

With noticeable advantages over mainstream regional economic theories, this more territorial policy approach maintains an economic-centric imprint coupled with institutional elements of development. This academic recognition that regional development goes beyond economic and efficiency processes and that it should consider interdisciplinary approaches which include equity (Capello & Nijkamp, 2009), welfare (Knox & Marston, 2015), and institutional (Hadjimichalis & Hudson, 2014; Sotarauta & van Oort, 2009; Moulaert et al. 2016), infrastructural and technological progress (Nijkamp & Abreu, 2009) issues, supports the argument for the presented SBRD¹.

A new theory of regional development is needed as the existing ones do not reflect all the main dimensions of the development of the territory in an integrated manner. New thinking requires not only investments for improving of infrastructure, innovation, human capital and environmental sustainability but also administrative capacity, a balanced and harmonious development of the region.

Strategic based regional development theory can fill all the gaps. Several are the aspects which should be observed according to SBRD: sustainable-based development, knowledge-based development, balanced-based development, institutional-based development, place-based and infrastructural-based development. When talking about regional development we have to take into account the new aspects of EU Cohesion Policy during the programming period 2021-2027.

For this programming period, EU Cohesion Policy is supported by a small number of policy objectives (5): 1. a more competitive and smarter Europe; 2. a greener, low-carbon transitioning towards a net zero carbon economy; 3. a more connected Europe by enhancing mobility; 4. a more social and inclusive Europe; 5. A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories.

SBRD is to be viewed more as practical and insightful guide to the stakeholders so that all crucial elements of regional development are considered by the designed and implemented strategy. Each key development paradigm² consists of 5 general key policy elements as follows:

Sustainable-based development:

- Circular Economy
- Social environmental awareness
- Environmental conservation
- Global governance sustainability
- Global spatial planning sustainability

Knowledge-based development:

- Human capital
- Innovation
- Entrepreneurship
- Business environment
- Intellectual capital

¹ SBRD – Strategic based regional development

² Strategic-Based Regional Development: Towards a theory of everything for regional development? Eduardo Medeiros, Instituto Universitário de Lisboa (ISCTE-IUL), DINÂMIA²CET - IUL



Balanced-based development:

- Urban polycentrism
- Territorial cohesion
- Policy integration
- Spatial planning
- Spatial connectivity

Institutional-based development:

- Administrative capacity
- Institutional capacity
- Social capital
- Territorial Cooperation
- Leadership

Place-based development:

- Smart specialisation
- Top down approach
- Participatory approaches
- Community-led entrepreneurship
- Inner assets

Infrastructural-based development:

- Infrastructure
- Telecommunications
- Sociocultural services
- Productive capital
- Accessibilities

Each of these key development paradigms should be in-depth analysis of the five policy elements of each paradigm.

Sustainable-based development

Since 1970 the environmental consciousness had become one of the major topics to be considered in regional development analysis. In this aspect we should consider the level of implementing of launched SDG³s by UN. 4 are the main aspects that will be affected are : people, planet, prosperity and partnership. According to Sachs (2015), „to achieve the economic, social, and environmental objectives of the SDGs, a fourth objective must also be achieved: good governance. Governments must carry out many core functions to enable societies to prosper” (Sachs, 2015: 3).

The emerging concept of a green economy, supported by low-carbon initiatives, is at the heart of ecological modernization (Gibbs & O’Neill, 2017) and the notion of a circular economy (Lin, 2020). The questions associated with this environmental and biodiversity protective regional development approach comes with many challenges and can sometimes be hard to sell.

³ SDG – Sustainable Development Goals

Knowledge-based development

Among several reasons justifying the failure of certain regional development strategies and policies is the deficient or weak presence of skills and education among people and communities (Pike et al., 2006). According to Laasonen and Kolehmainen (2017), over the last couple of decades, a knowledge-based economic development rationale has become a prime goal for economic development across several European countries. This approach should consider the importance of human capital and science and technology innovation as key drivers of regional development.

In this context, entrepreneurship can be seen as an essential element of regional development policies supported by a knowledge-based regional development approach. This is especially important for peripheral areas.

Balanced-based development

When analysing this development paradigm we should pay attention of the behavior of human capital and the tendency for concentration of human capital in urban regions, especially in large metropolitan areas and that needs adequate reaction of regional policy.

Institutional-based development

Adequate institutional infrastructure and contents are regarded as a key element to foster regional development processes.

According to Laasonen and Kolehmainen (2017: 1687), „regional competitive advantage may reside in organizational level resources and/or in activities and ways in which regional networks of organizations, engaged in knowledge-based regional development activities, exploit and renew the resources and capabilities”.

Place-based development

Structural approach here should be focused on internal assests of the region : increasing empowerment of local and regional communities; increasing transparency and accountability of civil society; generating sustainable economic growth and employment; fostering involvement of local stakeholders; and contributing to a general improvement in the quality of jobs in a given region.

Infrastructural-based development

Traditionally regarded as a key factor for increasing productivity and greater labour inputs, infrastructural-based development is still routinely contended as an essential counterpart for producing necessary regional multiplier effects, and as a supplier of improvements in personal welfare (Rodríguez-Pose, 2013).

Conclusion

Regional development is a complex issue and policy makers should have in mind all the different aspects and search for efficient combination based on regional resources. The aim should be towards improving of economic competitiveness, social solidarity, environmental sustainability and territorial governance in a certain region. And implementing the same principle on different layers of policy – regional, national and EU. All should be done considering the currents trends in urbanization, demography, artificial intelligence, generational development. SBRD can be one approach to cover different aspects of regional development and at the same time it puts on the agenda a lot of topics for research and analysis.



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