



**HAL**  
open science

## Analysing regional development and policy: A structural-realist approach

Frank Moulaert, Abid Mehmood

► **To cite this version:**

Frank Moulaert, Abid Mehmood. Analysing regional development and policy: A structural-realist approach. *Regional Studies*, 2010, 44 (01), pp.103-118. 10.1080/00343400802251478 . hal-00565125

**HAL Id: hal-00565125**

**<https://hal.science/hal-00565125>**

Submitted on 11 Feb 2011

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



**Analysing regional development and policy: A structural-realist approach**

|                  |   |
|------------------|---|
| Journal:         | <i>Regional Studies</i>   |
| Manuscript ID:   | CRES-2007-0026.R1   |
| Manuscript Type: | Critical Surveys  |
| JEL codes:       | B0 - General < B - Schools of Economic Thought and Methodology,<br>R0 - General < R - Urban, Rural, and Regional Economics                                |
| Keywords:        | Territorial Innovation Models , New Regionalism , Regional development , Path dependency , Social structure, institutions and culture, Structural realism |
|                  |   |

SCHOLARONE™  
Manuscripts

## CRITICAL SURVEYS

Analysing regional development and policy: A structural-realist approach

FRANK MOULAERT\* and ABID MEHMOOD<sup>+</sup>

\* ASRO, KU Leuven, Kasteelpark Arenberg 51, B-3001 Heverlee, Belgium.

Email: [Frank.Moulaert@asro.kuleuven.be](mailto:Frank.Moulaert@asro.kuleuven.be)

<sup>+</sup> GURU, School of Architecture, Planning and Landscape, Newcastle University, Newcastle Upon Tyne, NE1 7RU, UK. Email: [Abid.Mehmood@ncl.ac.uk](mailto:Abid.Mehmood@ncl.ac.uk)

First received: January 2007

Accepted: March 2008

Abstract

This paper gives an overview of theories and models which can be used to analyse regional development as well as to design policies and strategies for the future of regions and localities. It evaluates the analytical and policy relevance of these models, and as it moves towards analytical synthesis, makes some recommendations for a structural realist approach to spatial development analysis. It offers a methodological framework for contemporary spatial development analysis by combining regulationist, cultural political economy and network theoretical approaches, and taking full cognisance of the structural-institutional, scalar and cultural dimensions of development processes and strategies.

Keywords: Territorial Innovation Models – New Regionalism – regional development – path dependency – social structure, institutions and culture – Structural realism. JEL Classifications: B0, R0.

Analysier l'aménagement du territoire: une façon structuralo-réaliste.

Moulaert & Mehmood

Cet article fournit une vue d'ensemble des théories et des modèles à employer afin d'analyser l'aménagement du territoire aussi bien que de mettre au point des politiques et des stratégies en faveur de l'avenir des régions et des endroits. On évalue l'importance analytique et de politique de ces modèles et, au fur et à mesure que l'on commence à penser une synthèse analytique, on fait quelques recommandations en faveur d'une façon structuralo-réaliste pour analyser le développement géographique. On propose un cadre méthodologique pour analyser le développement géographique contemporain en associant des façons réglementaires, d'économie politique culturelle, et théoriques de réseaux, tout en tenant compte des aspects structuralo-institutionnels, scalaires et culturelles des processus et des stratégies de développement.

1  
2  
3 Modèles d'innovation territoriale / Nouveau régionalisme / Aménagement du territoire /  
4 Sentier de dépendance / Structure sociale, institutions et culture / Réalisme structurel  
5  
6  
7

8 Classement JEL: B0; R0  
9

10 **Analyse der Regionalentwicklung und Politik: ein strukturell-realistischer**  
11 **Ansatz**  
12

13  
14 FRANK MOULAERT and ABID MEHMOOD  
15

16  
17  
18 Abstract  
19

20 Dieser Artikel enthält eine Übersicht über die Theorien und Modelle, die  
21 sich zur Analyse der regionalen Entwicklung sowie zur Gestaltung von  
22 Politiken und Strategien für die Zukunft von Regionen und Orten  
23 heranziehen lassen. Wir analysieren die analytische und politische  
24 Relevanz dieser Modelle und machen beim Übergang zur analytischen  
25 Synthese einige Empfehlungen für einen strukturierten, realistischen  
26 Ansatz zur Analyse der räumlichen Entwicklung. Der Artikel bietet einen  
27 methodologischen Rahmen zur Analyse der aktuellen räumlichen  
28 Entwicklung, indem er die regulationistischen, kulturpolitisch-  
29 wirtschaftlichen und netzwerktheoretischen Ansätze miteinander  
30 kombiniert und zugleich die strukturell-institutionellen, skalaren und  
31 kulturellen Dimensionen der Entwicklungsprozesse und -strategien  
32 vollständig zur Kenntnis nimmt.  
33  
34  
35  
36

37  
38 Keywords:

39 Territoriale Innovationsmodelle  
40 Neuer Regionalismus  
41 Regionalentwicklung  
42 Pfadabhängigkeit  
43 Sozialstruktur, Institutionen und Kultur  
44 Struktureller Realismus  
45 JEL Classifications: B0, R0.  
46  
47

48 **Análisis del desarrollo y la política regional: un enfoque realista estructural**

49 FRANK MOULAERT and ABID MEHMOOD  
50

51 Abstract  
52

53  
54 Este artículo contiene un resumen de las teorías y los modelos que pueden servir para  
55 analizar el desarrollo regional y diseñar las políticas y estrategias para el futuro de las  
56 regiones y localidades. Evaluamos la relevancia analítica y política de estos modelos y  
57 según se va desplazando hacia una síntesis analítica hacemos recomendaciones sobre un  
58  
59  
60

1  
2  
3 planteamiento realista y estructural para el análisis del desarrollo espacial. Aquí  
4 ofrecemos una estructura metodológica para el análisis contemporáneo del desarrollo  
5 espacial al combinar enfoques regulatorios, de la economía política cultural y  
6 planteamientos teóricos de redes a la vez que intentamos reconocer completamente las  
7 dimensiones institucionales-estructurales, escalares y culturales de los procesos y  
8 estrategias del desarrollo.  
9  
10

11  
12  
13 Keywords:

14 Modelos de innovación territorial

15 Nuevo regionalismo

16 Desarrollo regional

17 Dependencia de rutas

18 Estructura social

19 Instituciones y cultura

20 Realismo estructural

21 JEL Classifications: B0, R0.  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

## 32 **1. Introduction**

33  
34 With the rise (or the ‘return’?) of ‘Regionalism’, the study of regional development and  
35 policy has once again become a major focus in social science spatial analysis. To benefit  
36 fully of the long tradition of research in this field (say starting with the German Historical  
37 School in the 19<sup>th</sup> century), an equilibrated use of ‘old’ and ‘new’ epistemological stances  
38 and of ‘back to basics’ regional analysis are needed – the latter being a plea by Lovering  
39 (2001)<sup>i</sup>. We intend to situate our reading of the literature and search for a new synthesis  
40 within a critical-realist approach to society and its spatiality (SAYER, 1992), because  
41 such an approach offers a critical and open perspective on the factors and dynamics of  
42 social reality, allowing for diversity and complementarity of explanation but still  
43 recognising some ‘structures with power’ within society. The features of the critical-  
44 realist approach, as summarised by Sayer (see endnote *ii*), stress that “the view of the  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 world is differentiated and stratified consisting not only of events but objects, including  
4 structures, which have powers and liabilities capable of generalising events”.<sup>ii</sup> Other  
5 features we stress here refer to the independence of reality from our knowledge; the  
6 fallibility and theory-based character of knowledge; the production of any other kind of  
7 knowledge as a social practice – realism thus clearly requires a ‘sociology of knowledge  
8 perspective’. Structural realism (SR) then, as a particular focus within realism recognises  
9 a relative hierarchy among the objects of social reality and recognises structures in the  
10 form of relatively durable social relations as being of a potentially higher causal order.  
11 This does not mean that structures are pre-existing to social phenomena; in fact,  
12 structures are institutionally mediated and historically as well spatially reproduced  
13 through both collective and strategic individual action. Still the conceptual nature of  
14 structures, institutions and agency is pre-informed by the theory that has analytically  
15 conceived them. This means that within a critical-realist perspective several theories  
16 referring to the same or cognate concepts should be confronted and brought into dialogue  
17 with each other. A theory privileging the analysis of structures in social reality can also  
18 serve as a meta-theoretical framework, which sets in a way the borderlines within which  
19 particular objects and their relations can be analysed. Examples of such approaches are  
20 well-known in critical geography and spatial development analysis, where the meta-  
21 theoretical framework adopts the social structures analysed in political economy – and  
22 often identifies them as a main feature of its social ontology - but, as in radical political  
23 geography, attributes them a deep spatial character (STORPER and WALKER, 1983;  
24 MOULAERT, 1987). The critical-realist perspective then requires that, within this  
25 framework, theories with different highlights and causal foci will communicate with each  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 other and shed light on the different social phenomena and structures that explain  
4 regional development and policy. Certainly history plays a significant role in structural  
5 realist analysis. Relations between objects, the meaning of cultural change, the conditions  
6 and social relations of scientific activity and how it has affected progress or stalemate in  
7 society can only historically be laid out.  
8  
9

10  
11  
12  
13  
14  
15  
16  
17  
18 Having spelled out the epistemological premises of structural-realism, we shall now  
19 move to applying these to the review of the regional development literature, starting with  
20 the contemporary new regionalism models of territorial innovation, and subsequently  
21 work toward a new meta-theoretical synthesis for regional development analysis at the  
22 end of the article. Over the last twenty years regional development has been addressed  
23 mainly through the bird's eye view of territorial and especially regional innovation  
24 models, the spearheads of the so-called 'new regionalism' movement (MOULAERT and  
25 MEHMOOD, 2008). These models, discussed in section 2 as Territorial Innovations  
26 Models (a generic or family name for Industrial District, Milieu Innovateur, Learning  
27 Region, among others; see section 2 for details), were a significant advance on  
28 neoclassical regional growth analysis because they enabled the filling of the 'black box' –  
29 the institutional dynamics of development – traditionally left untouched by neoclassical  
30 economics (MOULAERT and SEKIA, 2003). However, territorial innovation models  
31 (TIMs) go only half way in solving the methodological problems in regional development  
32 and policy analysis.<sup>iii</sup>  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 This appears from the epistemological reductionism of TIM (a capitalist market  
4 economic ontology; collapse of past and future perspectives, empirical and normative  
5 stances, institutions and structure, cultural and economic norms) means a backwards step  
6 compared to previous regional *development* theories. Therefore section 3 argues in favour  
7 of a return to the ‘old’ institutionalist tradition of regional development analysis (German  
8 Historical School, Gunnar Myrdal, François Perroux, the French school of disequibrated  
9 spatial development, radical geographers of the 1970s, etc.), which by their particular  
10 interest in institutions fill the gap between the structure and other objects of social reality.  
11 These Schools and authors are more advanced in distinguishing the analytical features of  
12 regional development from its design strategy; and by combining these analytical features  
13 with recent insights from cultural political economy and relational economic geography;  
14 their theories could be made useful relatively easily for contemporary analysis of regional  
15 development and policy. The final section is devoted to methodological reflections about  
16 the study of regional development. A brief exploration of contemporary attempts to  
17 accomplish new syntheses (based on territorial embeddedness, relational complexity,  
18 strategic coupling), leads to an explicit choice to connect Cultural Political Economy,  
19 Regulationist and ‘empowered’ network approaches in order to underpin regional  
20 development and policy analysis today. Such connection should indeed lead to the  
21 definition of a structural-realist meta-theoretical framework within which more issue-  
22 focused spatial theories can be brought into use.  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

## 53 **2. Territorial Innovation Models: what are they telling us?**<sup>iv</sup>

54  
55  
56  
57  
58  
59  
60



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

‘Territorial Innovation Model’ (TIM) are models of regional innovation in which *local institutional dynamics* play a significant role as catalysts (especially positive) in innovative development strategies. TIMs, as the flagships of New Regionalism, embody an institutional turn in regional development analysis which means a significant step in elaborating a SR approach. Most of these models address the following features of development and innovation as well as the relationships between them: the core of the innovation dynamics, the role of institutions, the view of regional development, culture, the types of relations among agents, and the types of relationships with the environment. Mainly three families of TIM can be identified<sup>v</sup>. The first contains the *Milieu Innovateur* and the Industrial District model. The French model *Milieu Innovateur*, which was the basis for the synthesis produced by GREMI (AYDALOT, 1986), stresses the role of endogenous institutional potential in producing innovative dynamic firms. The same basic idea is found in the Industrial District model, which focuses even more on the role of co-operation and partnership within the innovation process (BECATTINI, 1987). The second TIM family contains models belonging to the tradition of the Systems of Innovation: a translation of institutional co-ordination principles found in sectoral and national innovation systems onto the regional level (EDQUIST, 1997) or, more properly, an evolutionist interpretation of the regional learning economy within the regional space (COOKE, 1996; COOKE and MORGAN, 1998). The third TIM tradition stems from the Californian School of Economic Geography: the New Industrial Spaces (STORPER and SCOTT, 1988; SAXENIAN, 1994). In addition, there is a residual category, encompassing ‘spatial clusters of innovation’, which is not really another TIM family, as it has little affinity to regional analysis but lies close to Porter’s clusters of innovation.

1  
2  
3 All these models share a large number of key-concepts that have been used in regional  
4 economics or analysis for a long time, or that have been borrowed from other disciplines,  
5  
6 especially in social science.  
7  
8  
9

10  
11  
12 Table 1 summarizes the meaning of territorial innovation and its features in most of these  
13 models<sup>vi</sup>. The learning region model has not been included because it can be considered  
14  
15 as an essential synthesis of the features of many of the other TIM models.  
16  
17  
18  
19

20  
21  
22 INSERT TABLE 1 ABOUT HERE  
23  
24  
25  
26

27 Most TIM models stress the instrumentality of institutions in the economic restructuring  
28 and enhanced competitiveness of regions and localities. But in none of these models is  
29 reference made to improving non-economic dimensions and non-market led sections of  
30 regional and local communities, unless such improvements could contribute in some way  
31 to the competitiveness of the territory. According to the TIM, quality of life in local and  
32 regional communities depends on growth of prosperity and will appear as a positive  
33 externality of higher economic growth; no distinction is made between wellbeing and  
34 growth, between community culture and business climate.  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

48 There is no doubt that TIMs take a significant step forward when compared to orthodox  
49 models of spatialised economic 'development' (e.g. neo-classical regional growth  
50 models) in that they recognize the explicit role of institutions (including firms) and their  
51 learning processes as key factors in economic development. In this way, they fill the  
52 'black box' of the neo-classical model of the firm and its networks which disregards the  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 institutional dynamics of innovative agents, and only considers the logic of rational  
4 economic agency. TIMs are therefore more socially sophisticated than neoclassical  
5 regional growth models, for they perceive institutional dynamics (culture, learning  
6 organizations, networks) as improving the market-competitiveness of the local economy.  
7  
8 (In orthodox development discourse, one could say that they make ‘development’  
9 functional to ‘growth’; the neo-classical adage turned upside down!). But at the same  
10 time TIMs reflect a societal ontology with a restricted view of economic development:  
11 innovation and learning will improve the market-economic performance of a region or a  
12 locality, and in this way will contribute to the achievement of other developmental goals  
13 (economic, social, political, cultural).  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

29 In other words: implicitly, TIMs do not consider either the multi-functionality or the  
30 allocative diversity of the ‘real’ economy – an economy that is in reality much broader  
31 than the capitalist market economy – or the other existential (non-economic) spheres of  
32 local and regional communities, such as the natural environment, the social-cultural  
33 (artistic, educational, social services) and the socio-political sphere. Despite their  
34 devotion to institutional dynamics, they are sworn to a market-based economic ontology  
35 and technological view of development. They blatantly overlook the past and present role  
36 of the structural mechanisms of growth and decline, even and uneven inter-regional  
37 exchange and development mediated by these institutions and their strategic agencies  
38 (HOLLAND, 1976). One could argue that in the TIM view of institutionalisation, the  
39 ‘lightness of being’ of the rationalist behavioural perspective transforms the institutional  
40 complexity of the real world and its development paths into self-evident path-breaking  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 strategic behaviour – thus rationalising history as if it would be organically engineering  
4 the innovative future!  
5  
6  
7  
8  
9

10  
11 Contrary to a structural-realist perspective the connections between agency, rationality  
12 and social relations have also been narrowed down to the latter's functionality for rational  
13 economic behaviour pursuing improved competitiveness for the regional or local  
14 economy. Another ontological aspect of the market-economist and instrumentalist view  
15 of institutional dynamics inherent in TIM is the narrow view of regional economic  
16 development policy. In tune with the TIM ontology, economic policy sectors are honed  
17 by prioritising technological innovation and rationalist learning procedures, while other  
18 sectors are geared towards market-led economic policy. Cultural, educational,  
19 transportation, urban development policies, etc. all become more or less subjugated to  
20 market competitiveness and lose the *raison d'être* and policy purpose specific to their  
21 own logic in contributing to the cultural, educational, environmental emancipation of  
22 human beings and their social groupings (MOULAERT and NUSSBAUMER, 2005).  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40

41 Finally TIMs suffer from what we could call a 'localist trap'. For a variety of reasons,  
42 they regard regional and local development strategies using endogenous resources as the  
43 appropriate answer to the uneven and unequal consequences of globalization and power  
44 strategies of global players (see for a critical perspective DUNFORD and GRECO,  
45 2006). This position waters down into a naïve misjudgement of the role of the latter and  
46 into an unbalanced view of how realistic regional development strategies should take into  
47 account both global players and especially their 'focal firms' (COE et al., 2004); at the  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 same time this denial of the ‘evil of the global’, leads to an unrealistic understanding of  
4  
5 the power of endogenous resources and how these have been managed. It would, for  
6  
7 example, be interesting to apply this perspective to Hassink and Lagendijk’s (2001)  
8  
9 observations on the ‘scant attention to interregional dimension of learning’ contrasting  
10  
11 with the strong focus on regional learning in regional development analysis. In its most  
12  
13 extreme reading the ‘localist trap’ also means that TIMs are defined in economic and  
14  
15 political isolation from the outside world. Old insights (see section 3) that TIMs can only  
16  
17 be successful thanks to economies of scale (and not only of scope as TIM do recognise)  
18  
19 and high-value added trade networks, and that regions and localities are competitors  
20  
21 within a wider economy and polity – with the risk that in absence of appropriate national  
22  
23 and supra-national development policies only a limited number among them will succeed  
24  
25 – and that macroeconomic dynamics and policy affect the regional development potential  
26  
27 seem to have been forgotten (AMIN, 1999). True, contemporary new regionalism  
28  
29 analysis is more realistic about this and “places increased weight on extra-local dynamics  
30  
31 shaping economic growth within regions” (COE et al., 2004, p. 469); but it remains an  
32  
33 enigma why today, in order to bring ‘new regionalism’ back to this level of geographical  
34  
35 complexity, established verities of the 1970s about path-dependency and the meaning of  
36  
37 wider spatial scales for development had to be reinvented from scratch.  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

48 These ontological positions of TIM have inspired at least two major epistemological  
49  
50 miscarriages which affect these models’ utility for working towards a structural-realist  
51  
52 methodology for regional development and policy analysis.  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 First, TIMs do not manage to disentangle normative from analytical perspectives in  
4 regional development research. In realism terms, they neither consider discourse and  
5 norm systems as socially produced, nor do they distinguish the specificity of cultural  
6 practices. The most significant consequence of this is that ‘intentionality of change in  
7 agency’ (e.g. innovative strategies, improved organizational learning) is taken as the main  
8 driving force of actual regional development. This leads recurrently to a situation in  
9 which real-life strategies are analysed as ‘imagineered’ future behaviour, as if the past  
10 and present of regional development can be explained only as the result of rational  
11 innovative behaviour within effectively organised learning processes (MOULAERT and  
12 SEKIA, 2003), or to a homogenised view of ‘best practice’ innovation strategies across  
13 different types of regions, irrespective of their development path – as rightly criticised by  
14 Tödting and Tripl (2005).  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

34 Second, despite TIMs’ significant contribution to re-institutionalising the study of  
35 territorial development, their analysis of institutional dynamics is framed by the  
36 instrumental interpretation of ‘territorial institutions for market-led growth’ and by what  
37 Hess (2004) calls an *over territorialized view of embeddedness*. This leads for example to  
38 either an over deterministic explanation of the role of globalization or a naïve  
39 understanding of the width of the manoeuvring space left to endogenous strategies within  
40 the global economy and society (DICKEN, 1994).  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

53 To overcome these epistemological flaws in the explanation of regional development and  
54 policy, we turn in section 3 to ‘older’ and/or more ‘cultured’ theories that offer clearer  
55  
56  
57  
58  
59  
60

1  
2  
3 explanations of the relationship between past, present and future; agency, structure and  
4  
5 institutions; institutions and culture; and development and policy. These theories,  
6  
7 therefore, hold potential for developing a structural-realist perspective to this explanation.  
8  
9

10  
11  
12 More recent attempts to overcome the devotion to local endogeneity and the neglect of  
13  
14 articulation between spatial scales have been made by the 'strategic coupling' approach  
15  
16 (COE et al., 2004), the revisiting of 'relational economic geography' (YEUNG, 2005),  
17  
18 the contextualisation of the territorial embeddedness approach (HESS, 2004) and the  
19  
20 path-dependent definition of local development strategies (COX, 2004). These we deal  
21  
22 with in the later section 4, as a spring-board for the presentation of our analytical  
23  
24 synthesis.  
25  
26  
27  
28  
29  
30  
31

### 32 **3. Old-timers on regional development**

33  
34 We have seen in section 2 that in contemporary literature on regional development 'new  
35  
36 regionalism' and TIMs are playing the first violin. But we noticed that these models  
37  
38 suffer from ontological and epistemological reductionism: they use idealised categories  
39  
40 of design strategies for future development also as key categories in the analysis of the  
41  
42 structural and institutional dynamics of the past, hence short-cutting the causality  
43  
44 relations between agency–institutions–structure; and they prototype regional  
45  
46 development policy as almost exclusively targeting improved competitiveness. To this  
47  
48 end they search for good or best practice combinations of technology and organization,  
49  
50 supported by regional and local institutional catalysts. They also tend to overlook the  
51  
52 effectiveness of non-economic factors and institutions in regional social and economic  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 development (HADJIMICHALIS, 2006). Most TIMs refer to a path dependency of  
4 regional development which is usually limited to the continuity of culture patterns and  
5 modes of social association between innovative agents and which does not consider the  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

development (HADJIMICHALIS, 2006). Most TIMs refer to a path dependency of regional development which is usually limited to the continuity of culture patterns and modes of social association between innovative agents and which does not consider the constraining or incapacitating impact of the historical paths followed by the so-called 'abstract' structures of the capitalist economy (division of labour, wage labour relationship, competition between capitals and market structures).

In this section we briefly survey 'old timers' which in their days did not fall victim to institutional instrumentalism and selective a-historicism as we have observed in TIMs. We successively look at Historicism, the schools of disequibrated growth, and radical economic geography. In the latter part of the section, we also turn to recent contributions in Cultural Political Economy which can be considered as bringing a new dimension to regional development analysis, e.g. by distinguishing different dimensions of cultural practice, important to fulfilling a structural realist perspective.

### 3.1 *Historicism and territorial development*

The German Historical School has been the basis of the development of 20<sup>th</sup> century economic growth and development theory.<sup>vii</sup> GHS contributions to a better understanding of the *Nazionalökonomie* and the various analyses of the stages of economic growth have had a major impact on later national and regional development theory and analysis. However, post WW II 'stages of growth' theory can only be indirectly connected to the German Historical School, mainly because the German literature was not well-known to Rostow and others, and also because of the influence of the British classical school on the



1  
2  
3 rise of the 'stages of economic growth' analyses which transformed the reading of  
4 historical development into a time-series record of economic growth performance  
5 indicators (HOSELITZ, 1960). A significant difference between the GHS and the  
6 Classical Economists is that the GHS already offered a real theory of economic dynamics  
7 (e.g. the idea of cumulative causation) whereas the Classics only provided principles for  
8 economic dynamics (such as the role of the changes in the division of labour following  
9 Adam Smith) while maintaining the view of an organic tendency towards equilibrium  
10 both of the economy and among its agents.<sup>viii</sup> The GHS contributed to the making of  
11 territorial development analysis in the following three ways:  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

27 - *The recognition of the growing role of the state and the industrialisation*  
28  
29  
30  
31

32 Nussbaumer (2002) demonstrates that significant numbers of ideas found in post Second  
33 World War literature on local and regional development were already present to some  
34 extent in the writings of the German Historical School. For example, the focus on the  
35 social dynamics of development, connected to the building of the Nation State from the  
36 different German states; social relations between the Nation-state and economic  
37 development; and, the culturally embedded socio-economic organisation of economic  
38 activities, have all been active features of discussion in the GHS literature.  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50

51 - *Space as a historical category*  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 Gustav Schmoller's writings (1884; 1905) have applied historical embeddedness to  
4 spatial analysis. Using an anthropological perspective, he showed how society  
5 appropriated space through the development of institutions that organise it according to  
6 the needs of the population. In other words: spatial institutions materialise the social  
7 relations that are developed in a community. Therefore, the evolution of needs and the  
8 economic system implies a transformation of the institutional configuration of space. The  
9 relative importance of institutional levels varies according to their relevance for the  
10 development of the (regional, local) community. However institutional evolution is not  
11 uniformly harmonious but produces conflicts. Power relations, both within and between  
12 institutions, form part of a dialectical movement. The interrelations between economic  
13 actors illustrate the political dimension of development; for instance those who try to  
14 influence policies by integrating town councils, and political powers that try to orient and  
15 promote economic activities. Space, considered from the perspective of its appropriation  
16 through (re)institutionalization, is embedded in the movement of history.

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39 - *Spatial and territorial approach*

40  
41  
42  
43 The GHS territorial approach to development was mainly developed by Gustav  
44 Schmoller. He showed how competition and cooperation within and between institutions  
45 are important in creating opportunities for political intervention and for interaction  
46 between political action and the transformation of the economic system. This idea, linked  
47 to the emphasis on the combination of development factors necessary to generate  
48 development and the recognition that social relations within a group or community are  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 part of the development process, leads to an analysis of development that links market  
4  
5 mechanisms to social interaction.  
6  
7

8  
9  
10 The contributions of the GHS have had a remarkable influence on the development of  
11  
12 later theories of regional endogenous development. Especially, its methodological  
13  
14 contributions such as the interactive analysis of causality and its significant impact on  
15  
16 methodological collectivism show its affinities with structural realism. And it has also  
17  
18 had an impact as one of the pillars of the Regulation Approach (VILLEVAL, 1995)  
19  
20 which we deal with in section 3.3.2.  
21  
22  
23

### 24 25 26 27 *3.2 Embedded regional development and cumulative disequilibrium*

28  
29 In the 1960s (or late 1950s) the simultaneous discovery of the difficulties of development  
30  
31 in the South and of regional and local problems of development in industrialised  
32  
33 countries due to massive transformation of the industrial system (HIRSCHMAN, 1984),  
34  
35 highlighted the significance of spatial scales of development and their diversified  
36  
37 political and economic dynamics.  
38  
39  
40

41  
42  
43 However, it would be illusionary to think that a smooth inter-paradigmatic path of  
44  
45 scientific progress led from the GHS scholars to the spatial development analysts of the  
46  
47 1960s. In the first half of the 20<sup>th</sup> century a rupture in the analysis of spatial development  
48  
49 [and location] came with the rise of neoclassical location and central place theory. There  
50  
51 were many reasons for this paradigmatic discontinuity, of which we cite only the few  
52  
53 most important: (i) US scholars' (who until the Interbellum frequently trained at German  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 universities) disapproval of German imperial policy – especially under the Nazi regime -  
4 led to a loss of interest in the GHS that was strongly focused on the role of institutions in  
5 general and the State *par excellence*; (ii) the euphoric spread of positivist scientific  
6 methods in social science. Positivist methodology development was invigorated by the  
7 rise of formal location analysis, already present at the end of the 19<sup>th</sup> century, especially  
8 in Germany, which began to overrule the GHS approach by the second quarter of the 20<sup>th</sup>  
9 century. We would have to wait till 1980s for a ‘mainstream’ critical realist answer to  
10 the dominant positivist methodology in social science in general, and spatial development  
11 analysis in particular.  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

24 Gradually a growing separation occurred between pseudo-classical or neo-classical  
25 location theory and regional growth theory on the one hand, and institutionalism-rooted  
26 regional development theory on the other. The latter includes authors like Myrdal (1957),  
27 Hirschman (1958) but also François Perroux (1955; 1983; 1988). Perroux is especially  
28 remembered for his analysis of the relationships between economic agglomeration on the  
29 one hand (growth poles within geographical space) and externalities (technological,  
30 pecuniary) and power relations on the other; his growth pole and regional development  
31 analysis adopts a strong institutional perspective and shows how unevenness in economic  
32 relations is institutionally confirmed, with only well-established public policy being  
33 capable of countering uneven development.  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

48 An interesting novel presentation of Myrdal’s work on spatial socio-economic  
49 development is given by Meardon (2001) who argues:  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 “In sum, Myrdal’s theory of agglomeration was part of a holistic alternative  
4 research program. Its main components were a critique of predominant  
5 economic theory, the development and interdisciplinary application of the  
6 concept of cumulative causation, and the proposal of public policies intended  
7 to reduce international, interregional, and even interracial inequalities – all  
8 founded upon explicitly stated value premises.” (p. 49).  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

20 For our purpose the ‘application’ of Myrdal’s cumulative causation framework to  
21 regional and interregional development is of particular interest. He discusses cumulative  
22 causation in terms of a tension between backwash and spread effects. He explains how  
23 agglomerations often originate as a consequence of either a single or a few economic  
24 initiatives (historical accidents) but that their development and dominance over lesser  
25 centres is a result of ever increasing internal and external economies in the growth  
26 centres. Cultural and political processes play a significant part in this, and the increasing  
27 inequality between growth and lesser centres can only be overcome by active and  
28 sustained public initiative (MYRDAL, 1957).  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

40 The confrontation between these institutionalist regional development analyses and the  
41 new regionalism is instructive and shows how the latter has simplified the ‘regional  
42 world’ into an agency space combining institutional and economic engineering – far  
43 removed from the real spaces of cumulative causation of growth and development in  
44 leading regions and localities, where political power-broking and unequal exchange  
45 based trade and investment networks play a significant part. This analysis of Myrdal and  
46 others also provides arguments explaining why worldwide maybe a thousand rather than  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 a million TIMs will flourish within the real global world and how successful regions will  
4 extort resources (human capital, innovative ideas, finance capital) from less successful or  
5  
6 poorer regions.<sup>ix</sup>  
7  
8  
9

### 10 11 12 *3.3 Political economy of regional development*<sup>x</sup> 13

14  
15 The political economy of regional development examines the deployment of the relations  
16 of production both within and as reproduced by the 'systems of regions'. Two influential  
17 analytical frameworks have been developed quasi simultaneously by Doreen Massey  
18 (1984) and Lipietz (1977). Both look at the articulation between the (spatial) hierarchy of  
19 the division of labour on the one hand and the reproduction of regional inequality on the  
20 other. Later contributors such as Markusen (1983) and Hudson (2001) have broadened  
21 the concept of social relations and its role in the analysis of the regionalization process  
22 and thus attributed more value to non-reductionist interpretations of regional  
23 development; and Sum (2006) has valorised the potential of a more culture-enhanced  
24 approach to regional development. These and other authors have stressed the need for  
25 better articulation of the different social processes through which space is constantly  
26 reproduced – and thus de facto executing Lefèbvre's concept (1974) in which he  
27 distinguishes between perceived, conceived and lived space and paves the way for a more  
28 counter-hegemonic, lived-diversity based approach to spatial development strategies.  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49

#### 50 51 *3.3.1 The spatial division of labour* 52

53 In his book 'Le capital et son espace', Alain Lipietz (1977) develops a Marxist theory of  
54 regional development. It combines an explanation of the regional inequality problem in  
55  
56  
57  
58  
59  
60

1  
2  
3 terms of the condition of the rural economy in France with a spatial division of labour  
4  
5 model of manufacturing and service activities across the space-economy. To do so  
6  
7  
8 Lipietz analyses 'interregionality' ("les rapports qui s'établissent entre régions  
9  
10 inégalement développées au sein d'une zone d'intégration articulée en circuits de  
11  
12 branches desservant un marché unique", p. 84) on the basis of the flows or circuits of the  
13  
14 branches of production. For this purpose he examines the articulation between  
15  
16 'pre'capitalist relations of production – especially as materialised in traditional  
17  
18 agriculture – and the capitalist relations of production as expressed in manufacturing  
19  
20 [especially fordist] branches of production. Lipietz analyses explicitly both the  
21  
22 development of, and the articulation between, modes of production within the complexity  
23  
24 of state – capital relations (i.e. the complexity of national social formations, regional  
25  
26 armatures and the over-arching 'imperialist multinational bloc'). He establishes a  
27  
28 hierarchical typology of regions: central, intermediary and peripheral. His original  
29  
30 empirical basis for this work is the spatial development of industry in relation to  
31  
32 agriculture in France; later he completes his analysis using evidence from the regional  
33  
34 development of the service sector, which he considers as a further though partial  
35  
36 expression of the permanent laws of capital accumulation (concentration, agglomeration  
37  
38 of capital, deskilling of direct producers, etc.) and which he links to the deskilling  
39  
40 industrialisation of metropolitan regions both internally and at their peripheries  
41  
42 (LIPIETZ, 1980: 68).  
43  
44  
45  
46  
47  
48  
49

50 Doreen Massey's analysis of divisions of labour and the reproduction of uneven spatial  
51  
52 development in the UK has strong parallels with Lipietz's in France. Massey (1984: 67):  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 “If the social is inextricably spatial and the spatial impossible to divorce from  
4 its social construction and content, it follows not only that social processes  
5 should be analysed as taking place spatially but also that what have been  
6 thought of as spatial patterns can be conceptualised in terms of social  
7 processes. [...] The primary social process which the geography of jobs  
8 reflects is production. The spatial distribution of employment, therefore, can be  
9 interpreted as the outcome of the way in which production is organised over  
10 space.”  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

25 Then Massey develops the argument that the social relations of production are necessarily  
26 deployed in space and in a variety of forms, which she calls spatial structures of  
27 production. Such spatial structures, although often similar across social spaces, should  
28 never be considered as archetypes, deterministically reproduced through the reproductive  
29 dynamics of capitalism. Instead the geographical forms of the organisation of production  
30 should be examined empirically. In capitalist production systems two distinct types of  
31 hierarchies quite often overlap and reinforce each other: (i) the managerial hierarchy –  
32 comparable to Hymer’s (1972) control structure linking headquarters to subsidiaries and  
33 branch plants; (ii) the hierarchy of the production process itself with R&D (often)  
34 separated from it; and the production process itself consisting of the production of  
35 technically more complex components (engineering) as well as the final assembly of  
36 commodities. Massey stresses that, in most cases, a country’s national economic  
37 geography – perceived as the ensemble of geographical forms of the organisation of the  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60



1  
2  
3 economy – “reflects its position in the international political economy, the international  
4 division of labour” (p. 82-83).  
5  
6

7  
8 Both Lipietz and Massey keep underlining that the reproduction of social space is not a  
9 one-way causal outcome of the organisation and reproduction of the capitalist production  
10 system. Massey: “Spatial structures are established, reinforced, combated and changed  
11 through political and economic strategies and battles on the part of managers, workers  
12 and political representatives” (p. 85) Political struggle will ultimately determine these  
13 forms. However national territories and their spatial organization significantly reflect the  
14 unevenness embedded in the corporate hierarchies, be it manufacturing firms (HUDSON,  
15 2001) or service providers and their networks (MARTINELLI and MOULAERT, 1993).  
16  
17 But the material outcome of this use of space will ultimately depend on capital-labour  
18 relations within the regional system, the strength of the unions and the strength of the  
19 class-balance of the State apparatus.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

### 36 37 *3.3.2 Cultural and socio-political dimensions of regional development*

38 Observe that these analyses of regional development, although attaching significant  
39 importance to social relations and regulation (especially by the State), *still employ an*  
40 *economic interpretation of social relations and their spatial forms.* Later work, often  
41 influenced by Lefèbvre (1974), such as the regulationist analysis of spatial development  
42 (LEBORGNE and LIPIETZ, 1990; MOULAERT, SWYNGEDOUW and WILSON,  
43 1988; MOULAERT and SWYNGEDOUW, 1989; MOULAERT, 1995) and gender and  
44 diversity literature (see e.g. BLUNT and WILLS, 2000) broadens the whole idea of social  
45 relations in space, and shows how different conceptions of space lead to a better  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 understanding of regional development, its potential opportunities and how these feed  
4 into the development paths and visions of past and present.  
5  
6

7  
8 Lefèbvre's generic work on the production of (social) space has had a determining  
9 influence on spatial analysis across most disciplines. In his Marxist approach to space,  
10 Lefèbvre contrasts perceived, conceived and lived space and addresses the spatial  
11 character of each of them by distinguishing spatial practices, representations of space,  
12 and representational spaces. Although he stresses the relations of production and their  
13 spatial deployment when applying these trialectics to capitalist society, his approach,  
14 more than that of Lipietz and Massey, leaves all doors open to look beyond 'abstract'  
15 space created by capitalist dynamics, and to include [other than production] social  
16 relations, representations of space and representational spaces involved in the  
17 reproduction of society and the interaction between hegemonic and counter-hegemonic  
18 movements. However, Lefèbvre never breaks the links between production relations and  
19 other social relations in society.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

39 In recent years several contributions to regional development analysis have used a  
40 broader perspective on social relations, addressing their diversity and their cultural as  
41 well as structural dimensions. We cite four contributions in particular:  
42  
43  
44  
45  
46  
47

48 - Markusen's (1983) work on Regionalism and Regional Development: Markusen  
49 explains how territorially defined regions are relevant to political economists when  
50 conflicts in social relations of production are perceived as regional conflicts by the actors  
51 involved. She calls this perception *regionalism*, "the espousal of a territorial claim by  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 some social group”, or in the case of a political movement “the political claim of a  
4 territorially identified group of people against one or several mechanisms of the State...”  
5

6  
7 Although ‘regionalism’ for Markusen is clearly a subjective and experiential term, it can  
8 also refer to objective social dynamics that cause territorial differences in social  
9 formations. In this way it may refer to the different social relations and institutions which  
10 embody or govern relationships within the human community: the household, the State,  
11 and cultural institutions.  
12

13  
14 Because the term *region*, warns Markusen, “connotes a territorial, not social, entity,” its  
15 use can lead to a number of epistemological (including conceptual) errors. First, region  
16 might be confused with all social relations that are territorially based. As such, a class  
17 conflict or a conflict between cultural groups might be wrongly perceived as a conflict  
18 between regions (Markusen gives a number of examples). Second, it is probable that the  
19 existing territorially defined regions (state, cultural identity, natural habitat, etc.) are only  
20 partially relevant to the spatiality of the social relations determining the dynamics of  
21 social reality in the region.  
22

23  
24 Although Markusen explains very well how territorially defined regions can be an issue  
25 in political economy, a regional issue itself can only be fully understood if the spatial  
26 expression of the social relations – that is, the spatial organization of which the region  
27 forms a part – is fully understood also. Markusen’s framework recognises the diversity of  
28 social relations – beyond strict confinement to (social) relations of production – and thus  
29 is highly significant for the analysis of the spatial nature of social and economic  
30 development within and across regions and localities.  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 - Gender and Diversity. The inclusion of gender and diversity (using a multi-ethnic  
4 perspective for example) together with the role of the wage-labour relationship in the  
5 analysis of regional development have enriched the understanding of the role of female  
6 and migrant labour in regional labour markets (MASSEY, 1984), the uneven  
7 reproduction of patriarchal professional hierarchies (MULLINGS, 2005) and the design  
8 of alternative emancipation and spatial development strategies (BLUNT and WILLS,  
9 2000).

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22 - Regulation Approach and Local/ Regional Development: The 'territorialization' of the  
23 regulationist approach has reinvigorated the debate on the analytical (and strategic)  
24 weaknesses of regulation theory and contributed to overcoming them (LEBORGNE and  
25 LIPIETZ, 1990; MOULAERT, SWYNGEDOUW and WILSON, 1988; MOULAERT  
26 and SWYNGEDOUW, 1989; MOULAERT, 1995; PECK, 1996; PECK and TICKELL,  
27 1992). Reformulating regulationism, after a refreshing territorial bath, is meant to enable  
28 this at first National Social Formation oriented analytical framework to address regional  
29 development. The revisited regulationist approach includes: (i) an articulated time-space  
30 approach to subsequent modes of development and their concrete forms; (ii) a greater  
31 focus on the impact of non-economic structural dynamics on regional and local  
32 development; (iii) the broadening of the reading of regulatory dynamics from 'pure  
33 economic' and 'state agency' to different types of formal and informal regulation; (iv)  
34 redefining the role of agency and behavioural codes within the broader definition of  
35 institutional dynamics; (v) a reading of social reproduction at the local and regional level  
36 which is both extensive and respecting of diversity, and is in tune with recent insights on  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 the role of culture, gender and diversity in spatial development strategies,  
4  
5 institutionalization and structural transformations; (vi) the recognition of power relations  
6  
7 together with social and political struggle as critical analytical categories in regulation  
8  
9 theory (MOULAERT, 2000). These improvements to the Regulationist Approach within  
10  
11 the territorial regulationist approach resonate with most of the concerns about the one-  
12  
13 track approach of political economy, i.e. overemphasis on the determinist explanatory  
14  
15 power of the social relations of production, and how to overcome them, and also several  
16  
17 of the concerns of a structural-realist approach to regional development analysis. Not  
18  
19 covered in this corrigendum, however, is the role of discourse both in reproducing culture  
20  
21 and as a 'real' strategy, which has been a concern of the cultural political economy  
22  
23 approach to socio-economic development, but also addresses the cultural concerns of the  
24  
25 realist approach.  
26  
27  
28  
29  
30  
31  
32  
33

34 - Cultural Political Economy and Discourse: Recent work on the relationships between  
35  
36 Culture, Discourse, Identity and Hegemony (CDIH) has laid the foundations for an  
37  
38 improved integration of two analyses: the analysis of social and cultural embedding of  
39  
40 agency and the social construction of institutional change (the 'pure' cultural turn in  
41  
42 social science) as well as the more 'structural-materialist' social science analysis  
43  
44 stressing the historical specificity and material effectivity of economic categories and  
45  
46 practices as applied by e.g. the Regulation Approach or the Strategic-Relational  
47  
48 Approach (SUM, 2006; 2005; JESSOP, 2001; JESSOP and SUM, 2006; SUM and  
49  
50 JESSOP, 2007). According to Sum (2006) "The CDIH model [within the cultural  
51  
52 political economy approach] seeks to develop a more balanced approach that pays due  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 attention to the material-discursive nature of social relations, albeit based on a more open  
4  
5 conception of social structure (SMART, 1986; FAIRCLOUGH, 1992; JESSOP, 1990;  
6  
7 GIBSON-GRAHAM, 1996), as well as to the strategic-discursive moment that is  
8  
9 associated with the textual or semiotic aspects of social relations and their emergent  
10  
11 properties.” (p. 6). Over the last few years Cultural Political Economy (CPE) approaches  
12  
13 have enriched regional development analysis by focusing on the role of discourse and  
14  
15 identity-building in defining regional and urban policy and interpreting ‘histories’ of  
16  
17 regions and cities. The most promising of these applications are based on the integration  
18  
19 of critical discourse analysis into variants of the regulation approach that retain strong  
20  
21 residual elements of the Marxist critique of political economy. In this way, CPE takes the  
22  
23 cultural turn, with its emphasis on discursive-strategic questions, in the analysis of socio-  
24  
25 economic development without sacrificing the lessons of a materialist-structural analysis  
26  
27 of the historically specific socio-economic dynamics of capitalist economies. Following  
28  
29 Sum (2005) this integration examines the development of economic imaginaries and  
30  
31 associated *grand narratives* at various *interlocked spatial scales*; and also explores how  
32  
33 these imaginaries and narratives facilitate the emergence and consolidation of not only  
34  
35 hegemonic systems (of which they are also an important moment) but also of counter-  
36  
37 hegemonic movements. Economic imaginaries involve spatio-temporal horizons of action  
38  
39 and are institutionalized in specific spatio-temporal matrices and, as such, have major  
40  
41 implications for spatial development. In particular, they have a significant impact on how  
42  
43 regulation and strategic agency are reproduced at the regional and local level. Moreover,  
44  
45 the modes by which grand discourses are reproduced via struggles at the *global and*  
46  
47 *national scales* are highly relevant in coming to grips with the role of discourse in  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 reproduction and accumulation at the local and regional level. Interesting illustrations of  
4 this approach are Hajer (1995), Sum (2002) on Hong Kong, Gonzalez (2005 and 2006)  
5 for the Basque Country and Bilbao (Northern Spain), Raco (2003) on Scotland, McGuirk  
6 (2004) on Sydney, and Moulaert et al. (2007) in relation to urban redevelopment policy in  
7 Milan, Antwerp, Vienna and Naples.  
8  
9

10  
11  
12  
13  
14  
15  
16  
17  
18 One could summarize the discussion in section 3 by arguing that the ‘objectivation’ of  
19 social relations, the broadening of their conceptualisation from economic to social and to  
20 cultural dimensions as well as their historical and spatial embedding have made a major  
21 contribution to the building of a structural-realist methodology for regional development  
22 analysis. These analytical merits will be valorised in the next section, where we will work  
23 toward a new synthesis in regional development analysis.  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

#### 34 **4. Methodological prospects: toward a structural realist synthesis for regional** 35 **development analysis** 36 37

38  
39 Over the last fifteen to twenty years the literature on regional development and regional  
40 development policy has been dominated by the New Regionalism approach and its  
41 Territorial Innovation Models, of which the most popular today is the Learning Region.  
42  
43 Although New Regionalism did reintroduce the role of institutional dynamics and path  
44 dependency into regional development analysis, unfortunately, its analytical potential  
45 soon became constrained by a contemporary reading of the historical and institutional  
46 foundations of development, thus reducing path dependency to the reproduction of  
47 specific assets and institutions within local and regional communities. At the same time,  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 the scalar geography of this approach overlaid the role of the local and regional  
4 territory at the expense of interdependencies with other spatial scales. By doing so, the  
5 opportunities or constraints stemming from globalization were often miscalculated, and  
6 the critical role of supra-regional governance – with still currently an important role for  
7 the National state – overlooked. As a consequence, TIMs have become idealised icons of  
8 development dreams instead of much needed models addressing the politics and policy of  
9 the possible (on the latter, see NOVY and LEUBOLT, 2005; SWYNGEDOUW, 2005). It  
10 is therefore of critical importance to move beyond new regionalism, and to develop an  
11 alternative perspective to regional development that manages to find a solution to most of  
12 the analytical shortcomings mentioned in the earlier sections of this paper. As explained  
13 in the introduction, we have opted for a structural realist approach to establish this  
14 perspective.

#### 34 *4.1 Beyond New Regionalism*

35  
36 Before moving on to our methodological synthesis for regional development analysis, we  
37 focus on some recent contributions to overcome some of the flaws of New Regionalism  
38 models. We address consecutively the approaches of strategic coupling, of social  
39 embeddedness and of relational geography.

40  
41 Coe et al. (2004) explain how the *strategic coupling approach* offers a way out of the  
42 localist trap overshadowing new regionalism theories and Territorial Innovation Models:

43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53 “Drawing upon a global production networks (GPN) perspective and deriving  
54 insights from both the new regionalist and GCC (Global Commodity Chain)  
55  
56  
57  
58  
59  
60



1  
2  
3 and GVC (Global Value Chain) literatures, our approach focuses on the  
4  
5 dynamic ‘strategic coupling’ of global production networks and regional  
6  
7 assets, an interface mediated by a range of institutional activities across  
8  
9 different geographical and organizational scales. Our contention is that  
10  
11 regional development ultimately will depend on the ability of this coupling to  
12  
13 stimulate processes of value creation, enhancement and capture.” (p. 469)  
14  
15  
16  
17  
18  
19

20 Notwithstanding the fact that the strategic coupling approach offers a major corrigendum  
21  
22 to the most localist among the TIMs, it is not really as successful as it pretends in  
23  
24 analysing regional development as a set of relational processes. Although we support a  
25  
26 process view of regional development, in our opinion processes involve more than  
27  
28 relational dynamics as they have been analysed in the relational geography approach.  
29  
30

31 Two other recent contributions from (economic) geography have scrutinised ‘spatial’  
32  
33 relationships in development. The ‘*social embeddedness*’ approach attempts to bypass  
34  
35 the limits of territorial embeddedness – often implicitly assumed in many TIMs. Hess  
36  
37 (2004) seeks to do so by illuminating the concept of ‘embeddedness’; first by explaining  
38  
39 the evolution of embeddedness in Karl Polanyi’s work and then moving on to  
40  
41 Granovetter’s distinction between relational and structural embeddedness, with “the  
42  
43 former describing the nature or quality of dyadic relations between actors, while the latter  
44  
45 refers to the network structure of relationships between a number of actors” (p. 170-171).  
46  
47  
48  
49

50 Two observations should be made on Hess’ synthesis of the ‘rescaled’ embeddedness  
51  
52 approach: it overcomes the local scale bias of embeddedness in a positive way (social  
53  
54 embeddedness occurs at related spatial scales); but unfortunately it clings to an  
55  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

‘interactive’ interpretation of social structure – in fact it uses a definition of social structure as ‘interactively constructed’, not historically and ‘societally’ reproduced.

A similar observation can be made about Yeung’s (2005) critical survey article on relational economic geography which is both illuminating and debate provoking. Yeung – inspired by Jessop (2001) – rightly points out that the recent relational turn in economic geography is mainly a thematic one and that an ontological-epistemological relational turn is still to come. He connects the recent popularity of relational thought in economic geography partially to the analytically limited (presumed) structural determinism of Social Relations of Production (and Spatial Division of Labour; see section 3.3.1 above) that leaves little room to analyse mid-range institutionalisation and micro-agency. He compares three recent thematic turns in relational geography: (i) regional and local development as a function of synergised relational assets; (ii) relational embeddedness in networks; (iii) relational scales. (i) coincides largely with the theoretical approach used in the New Regionalism/TIM approach while (ii) matches the ‘social embeddedness’ line of analysis summarised and revisited by Hess. But (iii) in our opinion offers a misunderstanding of the meaning of the scalar articulation approach. Swyngedouw, Peck, Brenner etc. do not offer a relational geography approach – at least not in the interactive interpretation of relationality which Yeung attributes to these authors – but make a successful attempt to overcome the scale problem of the reproduction of social relations in space (see especially SWYNGEDOUW, 1997). To do so, they improve mainly on the territorialized version of the *Regulation Approach* which, although it provides the analytical key to the spatial articulation approach, strangely enough is not mentioned in Yeung’s article. This observation is not just hair splitting, but points to a significant

1  
2  
3 distinction between the meanings of 'relationality' in the different 'relational turns'  
4  
5 examined by Yeung. Indeed, for the authors of the scalar articulation approach,  
6  
7  
8 relationality refers to social relations in the political economy meaning of the term, and  
9  
10 not to interactive dynamics as meant in both the new regionalism or social embeddedness  
11  
12 thematic turn. A real 'methodological' relational turn should clarify this distinction, as it  
13  
14 should also clarify the distinction in relationality between objects and as social processes.  
15  
16 In the Political Economy and the Regulation Approach for example, social relations are  
17  
18 not relations between objects but are social processes that are historically and spatially  
19  
20 articulated. In consequence, they cannot be changed as a rule through the action of  
21  
22 individual actors but through social forces such as (counter) hegemonic movements,  
23  
24 institutionalisation processes, cultural upturns,... And they are different ontologically and  
25  
26 epistemologically from the type of relationality studied in mainstream network analysis.  
27  
28 More careful study is needed therefore of the types of relationality that are relevant to  
29  
30 economic geography.  
31  
32  
33  
34  
35  
36  
37  
38

#### 39 *4.2 Towards a meta-theory for regional development analysis*

40  
41 To re-equilibrate the framework of regional development analysis, a return is necessary  
42  
43 to the 'old' interpretation of institutional dynamics and structural relations. But to lead a  
44  
45 comprehensive analysis of regional development these [rediscovered] structures as time-  
46  
47 and-place robust institutions and mediated social structures should be combined with an  
48  
49 interactionist view of relations between 'development' agents, the specificity of their  
50  
51 agency and a cultural perspective on their agency and institutionalization. Keeping in  
52  
53 mind the concerns of the SR approach presented in section 1, this synthesis can best be  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 achieved by starting from a meta-theoretical framework as suggested by Storper and  
4 Walker (1983) and Moulaert (1987). Such a framework is based on a social ontology that  
5 includes 'empowered' structural relations in which the capitalist relations of production  
6 are dominant, but where 'other' social relations are part and parcel of the social process.  
7  
8 This ontology comes quite close to that of the Regulation Approach – sometimes  
9 designated as a meta-theory by itself. However, as pointed out in section 3.3.2, the  
10 Regulation Approach misses several cultural dimensions and fails to recognise the  
11 relative autonomy of social relations in space-and-place. In addition it is poor in dealing  
12 with the social and cultural dynamics of agency and its micro-networks. We therefore  
13 argue here that to achieve an appropriate framework for regional development analysis, a  
14 number of 'open' theories fitting or fittable to the SR approach could be brought together.  
15  
16 Open theories, can be considered as theories that denominate a limited number of  
17 structures, institutions or typical agencies, but do not provide specific theorisation of the  
18 causalities or relations between the objects they host. They can be combined into a meta-  
19 theoretical synthesis, with a shared social ontology. The synthesis we defend here  
20 combines an Empowered Network Perspective (MOULAERT and CABARET, 2006)  
21 with a 'Culturalised' Regulation Perspective – an integration of a Regulation Approach  
22 with a Cultural Political Economy perspective (JESSOP and SUM, 2006; MOULAERT  
23 et al., 2007). Together, these offer a meta-theoretical framework that could host various  
24 contributions from old and new institutional and political economy approaches to  
25 regional development.  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51

52  
53 Our support for this meta-theoretical integration is based on our agreement with relational  
54 (socio) economic geography that relationality has many dimensions: interaction,  
55  
56  
57  
58  
59  
60

1  
2  
3 embeddedness and scalar articulation; at the same time our endeavour is a reaction  
4  
5 against the 'networkish' interpretation of relationality inherent in most relational  
6  
7 geography applications, which stress the central role of agents as architects of networks  
8  
9 and their institutions while overlooking the role of structural relations – as processes – in  
10  
11 the reproduction of agency networks and their institutions. To calibrate this reaction, we  
12  
13 appeal to a Regulation Approach but one upgraded from a Cultural Political Economy  
14  
15 perspective, as argued in section 3. This allows us to bring structural relations and power  
16  
17 into the network metaphor, i.e. to empower network theory. Figure 1 here and the  
18  
19 subsequent discussion reflect how a meta-theoretical foundation can be established.  
20  
21  
22  
23  
24  
25  
26  
27

28 INSERT FIGURE 1 ABOUT HERE  
29  
30  
31  
32

33 Starting from a detailed reading of network analysis in evolutionary economics and  
34  
35 organizational sociology, Moulaert and Cabaret (2006) argue that using the network  
36  
37 metaphor as a concept for analysing real-life situations as basically the interaction  
38  
39 between agents and the resulting outcomes, is a logical intellectual ambition:  
40  
41  
42  
43  
44

45 “Human life, organizations and agencies are based on interactions between human  
46  
47 beings that are to a large extent networked amongst themselves. Agents  
48  
49 (individuals, organizations) develop and share cultures, modes of communication,  
50  
51 principles of (network) action and ways of building institutions. These institutions  
52  
53 will of course not just be the outcome of voluntary institutional engineering  
54  
55 within the networks, but will also depend on the interaction between the network  
56  
57  
58  
59  
60

1  
2  
3 dynamics, the network environment and the development paths of the society and  
4  
5 communities to which the network belongs. Thus network theory is useful in  
6  
7 modelling strategies and policy actions in regional and local development.” (p.  
8  
9 54).  
10  
11

12  
13  
14  
15 Better than ‘structural’ social theories, the network metaphor, by looking at cognitive  
16  
17 processes, the role of network culture and the production of discourse, offers a natural  
18  
19 link to cultural political economy. However, most current network theories defend  
20  
21 reductionist rational approaches to human behaviour (for a critique, see  
22  
23 HADJIMICHALIS and HUDSON, 2006), stress the role of procedures in information  
24  
25 gathering, exchange and institution building but deal very poorly with social structures,  
26  
27 power and power-relations. To overcome this weakness, Regulation Theory can step in.  
28  
29  
30  
31

32  
33  
34 Although Regulation Theory, like Marxism, primarily looks at economic (strategic)  
35  
36 behaviour, its theorising of social and political structure as social relations focused on  
37  
38 power relations and institution building as a social process, is relevant to ‘empowering  
39  
40 networks’ within society. Similarly, property relations, labour-capital relations, finance  
41  
42 capital, the State as an extended logic of capital, etc. play a direct role in most networks  
43  
44 embedded in the socio-economic world. In network terminology, this means that  
45  
46 stakeholders hold significantly unequal stakes, the decision-making space is limited or  
47  
48 uneven, and, in extreme cases, the outcome of negotiation processes is known  
49  
50 beforehand, because the structural-institutional impact of the logic of capital and politics  
51  
52 is so influential. By using the embeddedness approach of Polanyi and Granovetter, we  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 could not only embed the network analysis of strategic behaviour and policy making by  
4 leading regional and local agents within the Regulationist Approach of social relations,  
5 but also use that approach to study the reproduction of the economic, political, social and  
6 cultural structures of the region and its localities (MOULAERT and SWYNGEDOUW,  
7 1989).

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18 These structures – together with the networks embodying their micro-dynamics – then  
19 become ‘encultured’, under the Cultural Political Economy’s revisiting of social analysis  
20 by looking at the role of culture, identity and discourse and how they affect social forces  
21 and strategic agency. As indicated in section 3 the work of Sum (2005, 2006) in  
22 particular has been bridge-building in this respect. Inspired by Jessop (1990) and Anglo-  
23 Foucauldian theorists such as Rose and Miller (1992) and Dean (1999), Ngai-Ling Sum  
24 has designed a heuristic device that links the macro and micro processes – especially  
25 stressing the role of discourse - of hegemony and counter-hegemony making. In six inter-  
26 related moments that highlight the discursive dimensions of social relations and  
27 individual and collective agency, she provides the concepts necessary to analyse the  
28 relationship between ‘real’ and ‘cultural’ articulation via the examination of struggles  
29 involved in the material-discursive practices of everyday life. As shown in cited case-  
30 studies (section 3) this adds real value to the understanding of culture and discourse in  
31 regional and local development and policy.

32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53 As explained before we label the integration tripod of network theory, regulation  
54 approach and cultural political economy as a ‘meta theoretical framework’ because it  
55  
56  
57  
58  
59  
60

1  
2  
3 provides a social ontology and epistemology for spatial development analysis, but does  
4  
5 not expand the specific theories that shed light on the various dimensions and questions  
6  
7 of regional and local development. To this end, we should return to the survey of theories  
8  
9 in sections 2 and 3 which offer specific intelligence on each of these dimensions: e.g.  
10  
11 Myrdal on economic and political factors and mechanisms of centre-periphery relations,  
12  
13 Hirschman on the significance of political processes in regional development, Lipietz on  
14  
15 the links between the reproduction of economic structure and the State apparatus,  
16  
17 Markusen on the role of social and political movements in the regionalization process;  
18  
19 and many others. Looking at these theories within this newly defined triangular field of  
20  
21 ‘social relations – networks of agents – cultural dynamics’ may offer a wind of change –  
22  
23 yet one redolent of the prickling dust of historical manuscripts that are badly needed  
24  
25 today but have rested for too long on library shelves – in addressing regional  
26  
27 development and policy.  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60



## 5. References

AMIN A. (1999) An institutionalist perspective on Regional Economic Development, *International Journal of Urban and Regional Research*, **23**(2), 365-378.

AYDALOT Ph. (1986) *Milieux innovateurs en Europe*. (Innovative 'Milieux' in Europe). GREMI, Paris.

BECATTINI G. (1987) *Mercato e forze locali: il distretto industriale*. Il Mulino, Bologna.

BLUNT, A. and WILLS, J. (2000) *Dissident Geographies: An introduction to radical ideas and practice*, Pearson Education, Harlow.

COE, N.M., HESS, M., YEUNG, H.W.C., DICKEN, P., and HENDERSON, J. (2004) 'Globalizing' regional development: a global production networks perspective, *Transactions of the Institute of British Geographers* **29**(4), 468–484

COOKE, Ph. (1996) Reinventing the region: firms, clusters and networks in economic development, in DANIELS, P. and LEVER, W. (Eds) *The global economy in transition*. Longman, Harlow.

1  
2  
3 COOKE, Ph. and Morgan, K. (1998) *The Associative Region*, Oxford University Press,  
4  
5  
6 Oxford.

7  
8  
9  
10 COX, K.R. (2004) Globalization and the politics of local and regional development: the  
11  
12 question of convergence, *Transactions of the Institute of British Geographers* **29**(2), 179–  
13  
14  
15 194

16  
17  
18  
19  
20 DEAN, M. (1999) *Governmentality: Power and Rule in Modern Society*, Sage, London.

21  
22  
23  
24 DICKEN, P. (1994) The Roepke Lecture in Economic Geography. Global-Local  
25  
26 Tensions: Firms and States in the Global Space-Economy. *Economic Geography* **70**(2),  
27  
28  
29 101-128.

30  
31  
32  
33  
34 DUNFORD, M. (1988) *Capital, the State and Regional Development*, London, Pion

35  
36  
37  
38  
39 DUNFORD, M and GRECO, L. (2006) *After the Three Italies*, Blackwell, Oxford.

40  
41  
42  
43 EDQUIST, Ch. (Ed) (1997), *Systems of Innovation: Technologies, Institutions and*  
44  
45  
46 *Organizations*. Pinter, London

47  
48  
49  
50 FAIRCLOUGH, N. (1992) *Discourse and Social Change*. Polity, Cambridge.

1  
2  
3 FUJITA, M. KRUGMAN, P. and VENABLES, A.J. (1999) *Spatial Economy. Cities,*  
4 *regions, and international trade.* MIT Press, Cambridge MA.  
5  
6  
7

8  
9  
10 GIBSON-GRAHAM, J.K. (1996) *The End of Capitalism.* Blackwell, Oxford.  
11  
12

13  
14  
15 GONZALEZ, S. (2005) The politics of the economic crisis in the Basque Country and  
16 Spain during the 1980s. *Space and Polity* 2005, **9**(2), 93-112.  
17  
18  
19

20  
21  
22 GONZALEZ, S (2006) Scalar narratives in Bilbao: A cultural politics of scales approach  
23 to the study of urban policy. *International Journal of Urban and Regional Research.*  
24  
25  
26 **30**(4), 836-857.  
27  
28

29  
30  
31 HADJIMICHALIS, C. (2006) Non-economic factors in economic geography and in 'new  
32 regionalism': A sympathetic critique. *International Journal of Urban and Regional*  
33 *Research*, **30**(3), 690-704.  
34  
35  
36  
37

38  
39  
40 HADJIMICHALIS, C. and HUDSON, R. (2006) Networks, Regional Development  
41 and Democratic Control. *International Journal of Urban and Regional Research*, **30**(4),  
42  
43  
44 858-872.  
45  
46  
47

48  
49  
50 HAJER, M. (1995) *The politics of environmental discourse. Ecological modernization*  
51 *and the policy process,* Oxford University Press, Oxford.  
52  
53  
54  
55

1  
2  
3 HARVEY, D. (1982) *The Limits to Capital*, The University of Chicago Press, Chicago.  
4  
5  
6  
7

8  
9 HASSINK, R. and LAGENDIJK, A. (2001) The dilemmas of interregional institutional  
10 learning, *Environment and Planning C: Government and Policy*, **19**(1), 65-84.  
11  
12

13  
14  
15  
16 HESS, M. (2004) 'Spatial' relationships? Towards a reconceptualization of  
17 embeddedness, *Progress in Human Geography*, **28**(2), 165–186  
18  
19

20  
21  
22  
23 HIRSCHMAN, A. O. (1958) *The strategy for economic development*, Yale University  
24 Press, New Haven CT  
25  
26

27  
28  
29  
30 HIRSCHMAN, A.O. (1984) The On and Off Connection Between Political and  
31 Economic Progress, *The American Economic Review*, **84**(2), 343-348.  
32  
33

34  
35  
36  
37 HOLLAND S. (1976) *Capital versus the Regions*, The MacMillan Press, London.  
38  
39

40  
41  
42 HOSELITZ, B. F. (1960) *Theories of Economic Growth*, Free Press, New York.  
43  
44

45  
46  
47 HUDSON, R. (2001) *Producing Places*. Guilford, New York.  
48  
49

50  
51  
52 HYMER, S. (1972) The multinational corporation and the law of uneven development, in  
53 BHAGWATI, J. (Ed), *Economics and the World Order*, The Macmillan Press, London.  
54  
55

1  
2  
3 JESSOP, B. (1990) Regulation Theories in Retrospect and Prospect, *Economy and*  
4  
5 *Society*, **19**(2), 153-216.  
6  
7

8  
9  
10 JESSOP, B. (2001) Institutional re(turns) and the strategic relational approach,  
11  
12 *Environment and Planning A*, **33**(7), 1213-1235.  
13  
14

15  
16  
17 JESSOP, B. and SUM, N-L. (2006) *Beyond the regulation approach: putting capitalist*  
18  
19 *economies in their place*, Edward Elgar, Cheltenham  
20  
21

22  
23  
24 KEATING, M. (1998) *The New Regionalism in Western Europe: territorial restructuring*  
25  
26 *and political change*. Edward Elgar, Cheltenham.  
27  
28

29  
30  
31 LEBORGNE, D. and LIPIETZ, A (1990) *Fallacies and Open Issues of Post-Fordism*,  
32  
33 *Couverture Orange* , no. 9009, CEPREMAP, Paris  
34  
35

36  
37  
38 LEFÈBVRE, H. (1974) [2004] *The Production of Space*. Blackwell, Oxford.  
39  
40

41  
42  
43 LIPIETZ, A. (1977) *Le Capital et son Espace*. Maspero, Paris.  
44  
45

46  
47  
48 LIPIETZ, A. (1980) Le tertiaire, arborescence de l'accumulation capitaliste: prolifération  
49  
50 et polarisation. *Critiques de l'Economie Politique*, July-September, 17-69.  
51  
52

1  
2  
3 LÖSCH, A. (1938) The nature of economic regions, *Southern Economic Journal*, **5**(1),  
4  
5 71-78  
6  
7

8  
9  
10 LOVERING, J. (2001) The Coming Regional Crisis (And How To Avoid It), *Regional*  
11  
12 *Studies*, **35**(4), 349-54.  
13

14  
15  
16  
17 MACKINNON, D., CUMBERS, A., and CHAPMAN, K. (2002) Learning, innovation  
18  
19 and regional development: a critical appraisal of recent debates, *Progress in Human*  
20  
21 *Geography* **26**(3), 293–311  
22  
23

24  
25  
26  
27 MARTINELLI, F. and MOULAERT, F. (1993) The Location of Advanced Producer  
28  
29 Services Firms: Theory and Illustrations. *Geographische Zeitschrift*, **81**(1-2), 1-17.  
30  
31

32  
33  
34 MARKUSEN A., (1983), Regions and Regionalism, in MOULAERT, F. and WILLSON  
35  
36 P. (Eds) *Regional Analysis and the New International Division of Labor*, Kluwer Nijhoff  
37  
38 Publishing, Boston.  
39  
40

41  
42  
43 MASSEY, D. (1984) *Spatial Divisions of Labour. Social structures and the geography of*  
44  
45 *production*, Macmillan, London.  
46  
47

48  
49  
50 M<sup>C</sup>GUIRK, P. (2004) State, strategy and scale in the competitive city: a neo-gramscian  
51  
52 analysis of the governance of 'global Sydney'. *Environment and Planning A*, **36**(6),  
53  
54 1019-1043.  
55  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6 MEARDON, S. J. (2001) Modelling Agglomeration and Dispersion in City and Country:  
7  
8 Gunnar Myrdal, François Perroux, and the New Economic Geography', *American*  
9  
10 *Journal of Economics and Sociology*, **60**(1), 25-57  
11

12  
13  
14  
15 MOULAERT, F. (1987) An Institutional Revisit of the Storper-Walker Theory of Labor.  
16  
17 *International Journal of Urban and Regional Research*, **11**(3), 309-330.  
18

19  
20  
21  
22 MOULAERT, F. (1996) Rediscovering spatial inequality in Europe. Building blocks  
23  
24 for an appropriate "regulationist" framework. *Society and Space*, **14**(2), 155-179  
25

26  
27  
28  
29  
30 MOULAERT, F. and CABARET, K. (2006) Planning, networks and power relations: Is  
31  
32 democratic planning under capitalism possible? *Planning Theory*, **5**(1), 51-70.  
33

34  
35  
36  
37 MOULAERT, F., MARTINELLI, F., GONZALEZ, S., and SWYNGEDOUW, E. (2007)  
38  
39 Social Innovation and Governance in European Cities: Urban development between path  
40  
41 dependency and radical innovation, *European Urban and Regional Studies*, **14**(3), 195-  
42  
43 209.  
44

45  
46  
47  
48 MOULAERT, F. and MEHMOOD, A. (2008) Analysing regional development: From  
49  
50 territorial innovation to path dependent geography, in Davis, J. and Dolfsma, W.  
51  
52 (Eds.) *The Elgar Companion to Social Economics*, Edward Elgar, Cheltenham  
53  
54  
55

1  
2  
3 MOULAERT, F. and NUSSBAUMER, J. (2005) The Social Region: Beyond the  
4 territorial dynamics of the learning economy, *Journal of European Urban and Regional*  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

MOULAERT, F. and NUSSBAUMER, J. (2005) The Social Region: Beyond the territorial dynamics of the learning economy, *Journal of European Urban and Regional Studies*, **12**(1), 45-64.

MOULAERT, F. and SEKIA, F. (2003) Territorial Innovation Models: a Critical Survey, *Regional Studies*, **37**(3), 289-302.

MOULAERT, F., SEKIA, F., and BOYABÉ, J.B. (1999) Innovative region, social region? An alternative view of regional innovation, IFRESI Discussion Paper, Lille

MOULAERT, F., SWYNGEDOUW, E. and WILSON, P. (1988) The Geography of Fordist and Post-Fordist Accumulation and Regulation, *Papers of the Regional Science Association*, **64**, 11-23.

MOULAERT, F. and SWYNGEDOUW, E. (1989) 'Survey 15: A regulation approach to the geography of flexible production systems', *Environment and Planning D: Society and Space*, **7**(3), 327-345.

MYRDAL G. (1957) *Economic Theory and Underdeveloped Regions*, Duckworth, London.

MULLINGS, B. (2005) Women Rule? Globalization and the feminization of managerial and professional workspaces in the Caribbean, *Gender, Place and Culture*, **12**(1), 1-27



1  
2  
3  
4  
5  
6 NOVY, A. and B. LEUBOLT (2005) Participatory Budgeting in Porto Alegre: Social  
7  
8 Innovation and the Dialectical Relationship of State and Civil Society. *Urban Studies*,  
9  
10 **42**(11), 2023-2036.  
11

12  
13  
14  
15 NUSSBAUMER, J. (2002) 'Le rôle de la culture et des institutions dans les débats sur le  
16  
17 développement local: la contribution de l'Ecole Historique Allemande' [The role of  
18  
19 culture and institutions in the debates on local development: the contribution of the  
20  
21 German Historical School], unpublished PhD thesis, Lille: University of Lille I, Faculty  
22  
23 of Social Science.  
24  
25  
26

27  
28  
29 PECK, J (1996) *Work Place. The Social Regulation of Labor Markets*, The Guilford  
30  
31 Press, New York/London.  
32  
33

34  
35  
36 PECK, J. and TICKELL, A. (1992) Local modes of social regulation? Regulation theory,  
37  
38 Thatcherism and uneven development. *Geoforum*, **23**(3), 347-364.  
39  
40

41  
42  
43 PERROUX, F. (1955) Note sur la notion de "pôle de croissance", *Economie Appliquée* 8.  
44  
45 Republished and translated in McKEE, D. L., DEAN, R.D. and LEAHY, W.H. (Eds)  
46  
47 (1970) *Regional Economics*, pp. 93-103, The Free Press, New York.  
48  
49  
50

51  
52  
53 PERROUX, F. (1983) *A New Concept of Development: Basic Tenets*, Croom Helm,  
54  
55 London  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6 PERROUX, F., (1988) 'The Pole of Development's New Place in a General Theory of  
7  
8 Economic Activity', in HIGGINS, B. and SAVOIE, D.J. (Eds) *Regional Economic*  
9  
10 *Development: Essays in Honour of François Perroux*, pp. 48-76, Unwin Hyman, Boston.  
11  
12

13  
14  
15 RACO, M. (2003) Governmentality, Subject-Building and the Discourses and Practices  
16  
17 of Development in the UK, *Transactions of the Institute of British Geographers*, **28**(1),  
18  
19 75-95.  
20  
21

22  
23  
24 ROSE, N. and MILLER, P. (1992) Political Power Beyond the State: Problematics of  
25  
26 Government, *British Journal of Sociology*, **43**(2), 173-205.  
27  
28

29  
30  
31 SAYER, A. (1992) *Method in Social Science: A Realist Approach*, Routledge, London.  
32  
33

34  
35  
36 SAXENIAN, A. (1994) *Regional Advantage. Culture and Competition in Silicon Valley*  
37  
38 *and Route 128*. Harvard University Press, Cambridge.  
39  
40

41  
42  
43 SCHMOLLER, F.G. (1884) Das Merkantilssystem in seiner historischen Bedeutung:  
44  
45 Städtische, territoriale und staatliche Wirtschafts-politik, *Jahrbuch für Gesetzgebung,*  
46  
47 *Verwaltung und Volkswirtschaft im Deutschen Reich*, VIII 15-61  
48  
49

50  
51  
52  
53 SCHMOLLER, F.G. (1905) *Principes d'Economie Politique*, V.Giard et E. Brière, Paris.  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 SMART, B. (1986) The Politics of Truth and the Problem of Hegemony, in HOY, D.C.  
4  
5 (Ed.) *Foucault: A Critical Reader*, pp. 157-73, Basil Blackwell, Oxford.  
6  
7

8  
9  
10 STORPER, M. and SCOTT, A.J. (1988) The Geographical Foundations and Social  
11  
12 Regulation of Flexible Production Complexes, in WOLCH, J. and DEAR, M. (Eds) *The*  
13  
14 *Power of Geography*. pp. 21-40, Allen and Unwin, London.  
15  
16

17  
18  
19 STORPER, M. and WALKER, R. (1983) The theory of labor and the theory of location.  
20  
21  
22 *International Journal of Urban and Regional Research* 7(1), 1-44.  
23  
24

25  
26  
27 SUM, N-L. (2002) Globalization and Hong Kong as an Entrepreneurial City Strategies:  
28  
29 Contested Visions and the Remaking of City Governance in (Post-) Crisis Hong Kong, in  
30  
31 LOGAN, J. (Ed.) *The New Chinese City: Globalization and Market Reform*, pp. 74-91,  
32  
33 Blackwell, Oxford.  
34  
35

36  
37  
38 SUM, N-L. (2005) *From the Regulationist Approach to Cultural Political Economy*.  
39  
40 DEMOLOGOS working paper, [on website: <http://demologos.ncl.ac.uk/wp/wp1/disc.php>  
41  
42  
43 December 2005].  
44  
45

46  
47  
48 SUM, N-L. (2006) *Culture, Discourse, Ideology, and Hegemony*, DEMOLOGOS  
49  
50 working paper, [on website: <http://demologos.ncl.ac.uk/wp/wp2/disc.php> August 2006]  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 SUM, N-L. and Jessop, B. (2007) *Towards a Cultural Political Economy*, Edward Elgar,  
4  
5 Cheltenham.  
6  
7

8  
9  
10 SWYNGEDOUW, E. (1997) La Reconstruction de la Choreographie Espace / Temps de  
11  
12 la Monnaie Mondiale. *Espaces et Sociétés*, **88-89**, 53-90  
13  
14

15  
16  
17 SWYNGEDOUW, E. (2005) Governance Innovation and the Citizen: The Janus Face of  
18  
19 Governance-beyond-the-State. *Urban Studies*, **42**(11), 1991-2006.  
20  
21

22  
23  
24 TÖDTLING, F. and TRIPPL, M. (2005) One size fits all? Towards a differentiated  
25  
26 regional innovation policy approach. *Research Policy*, **34**, 1203-1219.  
27  
28

29  
30  
31 VILLEVAL, M.C. (1995) Une théorie économique des institutions? in BOYER, R. and  
32  
33 SAILLARD, Y. (Eds) *L'Ecole de la Régulation. L'Etat des Savoirs*. pp. 479-489, Presses  
34  
35 Universitaires de France, Paris.  
36  
37

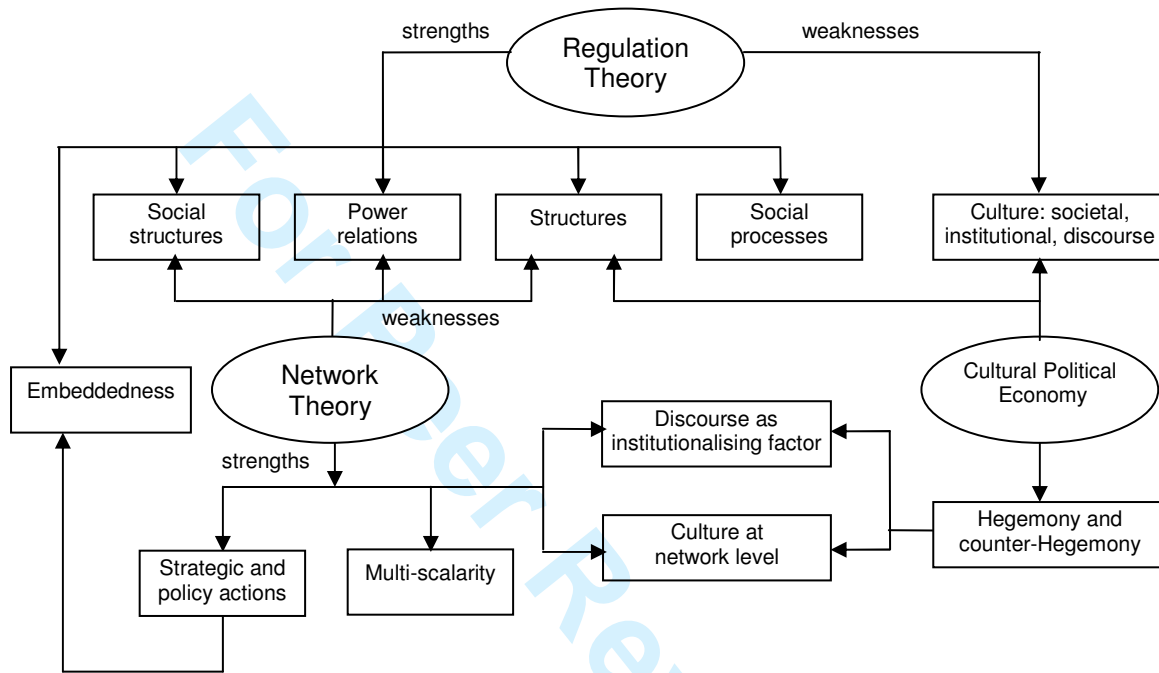
38  
39  
40 WILLIAMS, A.M., BALAZ, V., and WALLACE, C. (2004) International Labour  
41  
42 Mobility and Uneven Regional Development in Europe: Human Capital, Knowledge and  
43  
44 Entrepreneurship, *European Urban and Regional Studies*, **11**(1), 27-46  
45  
46  
47

48  
49  
50 YEUNG, H. Wai-Chung (2005) Rethinking Relational Economic Geography,  
51  
52 *Transactions of the Institute British Geographers*, **30**(1), 37-51  
53  
54  
55

**Table 1 Views of innovation in territorial innovation models**

| Model                                   | Milieu innovateur (Innovative milieu) (MI)   | Industrial District (ID)   | Regional Innovation Systems (RIS)   | New Industrial Spaces   |
|---|--|--|---|---|
| Features of innovation                  |  |  |   |   |
| Core of innovation dynamics             | Capacity of a firm to innovate through the relationships with other agents of the same milieu  | Capacity of actors to implement innovation in a system of common values  | Innovation as an interactive, cumulative and specific process of research and development (path dependency).  | A result of R&D and its implementation; application of new production methods (JIT, etc.)                       |
| Role of institutions                    | Very important role of institutions in the research process (university, firms, public agencies, etc.)   | Institutions are "agents" and enabling social regulation, fostering innovation and development   | As in the NIS, the definitions vary according to authors. But they all agree that the institutions lead to a regulation of behaviour, both inside and outside organisations | Social regulation for the co-ordination of inter-firm transactions and the dynamics of entrepreneurial activity |
| Regional development                    | Territorial view based on " <i>milieux innovateurs</i> " and on agent's capacity of innovating in a co-operative atmosphere                            | Territorial view based on spatial solidarity and flexibility of districts. This flexibility is an element of this innovation   | View of the region as a system of "learning by interacting/ and by steering regulation "  | Interaction between social regulation and agglomerated production systems                                       |
| Culture                                 | Culture of trust and reciprocity links   | Sharing values among ID agents - Trust and reciprocity   | The source of "learning by interacting"   | Culture of networking and social interaction  |
| Types of relations among agents         | The role of the support space: strategic relations between the firm, its partners, suppliers and clients   | The network is a social regulation mode and a source of discipline. It enables a coexistence of both co-operation and competition  | The network is an organisational mode of "interactive learning"   | Inter-firm transactions   |
| Types of relations with the environment | Capacity of agents in modifying their behaviour according to the changes in their environment. Very 'rich' relations: third dimension of support space | The relationships with the environment impose some constraints and new ideas. Must be able to react to changes in the environment. 'Rich' relations. Limited spatial view of environment | Balance between inside specific relations and environment constraints. 'Rich' relations   | The dynamics of community formation and social reproduction   |

Figure 1 A meta-theoretical synthesis for regional development analysis: Regulation, Network and CPE approaches



## Endnotes

<sup>i</sup> This paper does deal with regional development, not regional growth theories. Although there exist affinities between both analytical traditions, we have no space to deal with both and we prefer to address the more 'quality features' oriented development theories. As a consequence we will for example not present the debate on/between New Economic Geography and regional endogenous growth models (see e.g. FUJITA, KRUGMAN and VENABLES, 1999).

<sup>ii</sup> Andrew Sayer has summarised the realist scientific-philosophical approach as having the following features: (a) the world exists independently of our knowledge of it; (b) our knowledge of the world is pre-informed but also imperfect; (c) "Knowledge develops neither wholly continuously, as the steady accumulation of facts within a stable conceptual framework, nor wholly discontinuously, through simultaneous and universal changes in concepts." (p. 5) (d) objects (natural or social) have particular causal powers or ways of acting and particular susceptibilities; (e) "The world is differentiated and stratified, consisting not only of events, but objects, including structures, which have powers and liabilities capable of generating events." [...] (f) "Social phenomena such as actions, texts and institutions are concept dependent" (p. 6) [...] (g) "Science or the production of any other kind of knowledge is a social practice. For better or worse (not just worse) the conditions and social relations of the production of knowledge influence its content. Knowledge is also largely – though not exclusively – linguistic, and the nature of language and the way we communicate are not incidental to what is known as communicated. Awareness of these relationships is vital in evaluating knowledge."; (h) "Social science must be critical of its object" [...] (p. 6)

<sup>iii</sup> Contemporary debates on New Regionalism take different directions, especially following criticisms of the neglect of articulation among spatial scales and their consequences for economic policy. We have reserved the term 'New Regionalism' for the original spatially disarticulated models, preferring to refer to the spatially articulated models as 'Beyond New Regionalism'. – see section 4.1. Neither do we address the political science literature on New Regionalism (see e.g. KEATING, 1998). Although we believe that Markusen's Regionalism concept (section 3.3.2) could play a significant role there.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

---

<sup>iv</sup> This section has been reproduced and extended from Moulaert and Nussbaumer (2005). Copyright granted by SAGE Publications.

<sup>v</sup> For details see Moulaert, Sekia and Boyabé (1999).

<sup>vi</sup> For more details see Moulaert, Sekia and Boyabé, op. Cit. See also MacKinnon, Cumbers and Chapman (2002) who among other critical observations point out how the learning region model underemphasises the articulation among spatial scales in learning dynamics.

<sup>vii</sup> The GHS also played a significant role in the genesis of location theory; this is not developed here. See Nussbaumer (2002).

<sup>viii</sup> We should also keep in mind that the theory of stages of economic growth also had an influence on Lösch's theory of system of regions (LÖSCH 1938).

<sup>ix</sup> See also Williams et al. (2004) on the relationship between migration flows and uneven development in contemporary Europe.

<sup>x</sup> We selected these two authors because their focus is regional compared to other authors from the 1970s working in radical political geography *and* their analysis fits best the trajectory leading to the structural-realist synthesis in regional development analysis, which we pursue. If we had to further extend this methodological exercise we would certainly make use of Dunford (1988) and Harvey (1982)



## CRITICAL SURVEYS

Analysing regional development and policy: A structural-realist approach

FRANK MOULAERT\* and ABID MEHMOOD<sup>+</sup>

\* ASRO, KU Leuven, Kasteelpark Arenberg 51, B-3001 Heverlee, Belgium.

Email: [Frank.Moulaert@asro.kuleuven.be](mailto:Frank.Moulaert@asro.kuleuven.be)

<sup>+</sup> GURU, School of Architecture, Planning and Landscape, Newcastle University, Newcastle Upon Tyne, NE1 7RU, UK. Email: [Abid.Mehmood@ncl.ac.uk](mailto:Abid.Mehmood@ncl.ac.uk)

First received: January 2007

Accepted: March 2008

Abstract

This paper gives an overview of theories and models which can be used to analyse regional development as well as to design policies and strategies for the future of regions and localities. It evaluates the analytical and policy relevance of these models, and as it moves towards analytical synthesis, makes some recommendations for a structural realist approach to spatial development analysis. It offers a methodological framework for contemporary spatial development analysis by combining regulationist, cultural political economy and network theoretical approaches, and taking full cognisance of the structural-institutional, scalar and cultural dimensions of development processes and strategies.

Keywords: Territorial Innovation Models – New Regionalism – regional development – path dependency – social structure, institutions and culture – Structural realism. JEL Classifications: B0, R0.

Analysier l'aménagement du territoire: une façon structuralo-réaliste.

Moulaert & Mehmood

Cet article fournit une vue d'ensemble des théories et des modèles à employer afin d'analyser l'aménagement du territoire aussi bien que de mettre au point des politiques et des stratégies en faveur de l'avenir des régions et des endroits. On évalue l'importance analytique et de politique de ces modèles et, au fur et à mesure que l'on commence à penser une synthèse analytique, on fait quelques recommandations en faveur d'une façon structuralo-réaliste pour analyser le développement géographique. On propose un cadre méthodologique pour analyser le développement géographique contemporain en associant des façons réglementaires, d'économie politique culturelle, et théoriques de réseaux, tout en tenant compte des aspects structuralo-institutionnels, scalaires et culturelles des processus et des stratégies de développement.

1  
2  
3 Modèles d'innovation territoriale / Nouveau régionalisme / Aménagement du territoire /  
4 Sentier de dépendance / Structure sociale, institutions et culture / Réalisme structurel  
5  
6  
7

8 Classement JEL: B0; R0  
9

## 10 **Analyse der Regionalentwicklung und Politik: ein strukturell-realistischer** 11 **Ansatz** 12

13  
14 FRANK MOULAERT and ABID MEHMOOD  
15

### 16 17 18 Abstract 19

20 Dieser Artikel enthält eine Übersicht über die Theorien und Modelle, die  
21 sich zur Analyse der regionalen Entwicklung sowie zur Gestaltung von  
22 Politiken und Strategien für die Zukunft von Regionen und Orten  
23 heranziehen lassen. Wir analysieren die analytische und politische  
24 Relevanz dieser Modelle und machen beim Übergang zur analytischen  
25 Synthese einige Empfehlungen für einen strukturierten, realistischen  
26 Ansatz zur Analyse der räumlichen Entwicklung. Der Artikel bietet einen  
27 methodologischen Rahmen zur Analyse der aktuellen räumlichen  
28 Entwicklung, indem er die regulationistischen, kulturpolitisch-  
29 wirtschaftlichen und netzwerktheoretischen Ansätze miteinander  
30 kombiniert und zugleich die strukturell-institutionellen, skalaren und  
31 kulturellen Dimensionen der Entwicklungsprozesse und -strategien  
32 vollständig zur Kenntnis nimmt.  
33  
34  
35  
36

### 37 38 Keywords:

39 Territoriale Innovationsmodelle  
40 Neuer Regionalismus  
41 Regionalentwicklung  
42 Pfadabhängigkeit  
43 Sozialstruktur, Institutionen und Kultur  
44 Struktureller Realismus  
45 JEL Classifications: B0, R0.  
46  
47

48 **Análisis del desarrollo y la política regional: un enfoque realista estructural**

49 FRANK MOULAERT and ABID MEHMOOD  
50

### 51 Abstract 52

53  
54 Este artículo contiene un resumen de las teorías y los modelos que pueden servir para  
55 analizar el desarrollo regional y diseñar las políticas y estrategias para el futuro de las  
56 regiones y localidades. Evaluamos la relevancia analítica y política de estos modelos y  
57 según se va desplazando hacia una síntesis analítica hacemos recomendaciones sobre un  
58  
59  
60

1  
2  
3 planteamiento realista y estructural para el análisis del desarrollo espacial. Aquí  
4 ofrecemos una estructura metodológica para el análisis contemporáneo del desarrollo  
5 espacial al combinar enfoques regulatorios, de la economía política cultural y  
6 planteamientos teóricos de redes a la vez que intentamos reconocer completamente las  
7 dimensiones institucionales-estructurales, escalares y culturales de los procesos y  
8 estrategias del desarrollo.  
9  
10

11  
12 Keywords:

13 Modelos de innovación territorial

14 Nuevo regionalismo

15 Desarrollo regional

16 Dependencia de rutas

17 Estructura social

18 Instituciones y cultura

19 Realismo estructural

20 JEL Classifications: B0, R0.  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

## 32 **1. Introduction**

33  
34 With the rise (or the ‘return’?) of ‘Regionalism’, the study of regional development and  
35 policy has once again become a major focus in social science spatial analysis. To benefit  
36 fully of the long tradition of research in this field (say starting with the German Historical  
37 School in the 19<sup>th</sup> century), an equilibrated use of ‘old’ and ‘new’ epistemological stances  
38 and of ‘back to basics’ regional analysis are needed – the latter being a plea by Lovering  
39 (2001)<sup>i</sup>. We intend to situate our reading of the literature and search for a new synthesis  
40 within a critical-realist approach to society and its spatiality (SAYER, 1992), because  
41 such an approach offers a critical and open perspective on the factors and dynamics of  
42 social reality, allowing for diversity and complementarity of explanation but still  
43 recognising some ‘structures with power’ within society. The features of the critical-  
44 realist approach, as summarised by Sayer (see endnote *ii*), stress that “the view of the  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 world is differentiated and stratified consisting not only of events but objects, including  
4 structures, which have powers and liabilities capable of generalising events”.<sup>ii</sup> Other  
5 features we stress here refer to the independence of reality from our knowledge; the  
6 fallibility and theory-based character of knowledge; the production of any other kind of  
7 knowledge as a social practice – realism thus clearly requires a ‘sociology of knowledge  
8 perspective’. Structural realism (SR) then, as a particular focus within realism recognises  
9 a relative hierarchy among the objects of social reality and recognises structures in the  
10 form of relatively durable social relations as being of a potentially higher causal order.  
11 This does not mean that structures are pre-existing to social phenomena; in fact,  
12 structures are institutionally mediated and historically as well spatially reproduced  
13 through both collective and strategic individual action. Still the conceptual nature of  
14 structures, institutions and agency is pre-informed by the theory that has analytically  
15 conceived them. This means that within a critical-realist perspective several theories  
16 referring to the same or cognate concepts should be confronted and brought into dialogue  
17 with each other. A theory privileging the analysis of structures in social reality can also  
18 serve as a meta-theoretical framework, which sets in a way the borderlines within which  
19 particular objects and their relations can be analysed. Examples of such approaches are  
20 well-known in critical geography and spatial development analysis, where the meta-  
21 theoretical framework adopts the social structures analysed in political economy – and  
22 often identifies them as a main feature of its social ontology - but, as in radical political  
23 geography, attributes them a deep spatial character (STORPER and WALKER, 1983;  
24 MOULAERT, 1987). The critical-realist perspective then requires that, within this  
25 framework, theories with different highlights and causal foci will communicate with each  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 other and shed light on the different social phenomena and structures that explain  
4 regional development and policy. Certainly history plays a significant role in structural  
5 realist analysis. Relations between objects, the meaning of cultural change, the conditions  
6 and social relations of scientific activity and how it has affected progress or stalemate in  
7 society can only historically be laid out.  
8  
9

10  
11  
12  
13  
14  
15  
16  
17  
18 Having spelled out the epistemological premises of structural-realism, we shall now  
19 move to applying these to the review of the regional development literature, starting with  
20 the contemporary new regionalism models of territorial innovation, and subsequently  
21 work toward a new meta-theoretical synthesis for regional development analysis at the  
22 end of the article. Over the last twenty years regional development has been addressed  
23 mainly through the bird's eye view of territorial and especially regional innovation  
24 models, the spearheads of the so-called 'new regionalism' movement (MOULAERT and  
25 MEHMOOD, 2008). These models, discussed in section 2 as Territorial Innovations  
26 Models (a generic or family name for Industrial District, Milieu Innovateur, Learning  
27 Region, among others; see section 2 for details), were a significant advance on  
28 neoclassical regional growth analysis because they enabled the filling of the 'black box' –  
29 the institutional dynamics of development – traditionally left untouched by neoclassical  
30 economics (MOULAERT and SEKIA, 2003). However, territorial innovation models  
31 (TIMs) go only half way in solving the methodological problems in regional development  
32 and policy analysis.<sup>iii</sup>  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 This appears from the epistemological reductionism of TIM (a capitalist market  
4 economic ontology; collapse of past and future perspectives, empirical and normative  
5 stances, institutions and structure, cultural and economic norms) means a backwards step  
6 compared to previous regional *development* theories. Therefore section 3 argues in favour  
7 of a return to the ‘old’ institutionalist tradition of regional development analysis (German  
8 Historical School, Gunnar Myrdal, François Perroux, the French school of disequibrated  
9 spatial development, radical geographers of the 1970s, etc.), which by their particular  
10 interest in institutions fill the gap between the structure and other objects of social reality.  
11 These Schools and authors are more advanced in distinguishing the analytical features of  
12 regional development from its design strategy; and by combining these analytical features  
13 with recent insights from cultural political economy and relational economic geography;  
14 their theories could be made useful relatively easily for contemporary analysis of regional  
15 development and policy. The final section is devoted to methodological reflections about  
16 the study of regional development. A brief exploration of contemporary attempts to  
17 accomplish new syntheses (based on territorial embeddedness, relational complexity,  
18 strategic coupling), leads to an explicit choice to connect Cultural Political Economy,  
19 Regulationist and ‘empowered’ network approaches in order to underpin regional  
20 development and policy analysis today. Such connection should indeed lead to the  
21 definition of a structural-realist meta-theoretical framework within which more issue-  
22 focused spatial theories can be brought into use.  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

## 53 **2. Territorial Innovation Models: what are they telling us?**<sup>iv</sup>

54  
55  
56  
57  
58  
59  
60

1  
2  
3 'Territorial Innovation Model' (TIM) are models of regional innovation in which *local*  
4 *institutional dynamics* play a significant role as catalysts (especially positive) in  
5 innovative development strategies. TIMs, as the flagships of New Regionalism, embody  
6 an institutional turn in regional development analysis which means a significant step in  
7 elaborating a SR approach. Most of these models address the following features of  
8 development and innovation as well as the relationships between them: the core of the  
9 innovation dynamics, the role of institutions, the view of regional development, culture,  
10 the types of relations among agents, and the types of relationships with the environment.  
11  
12 Mainly three families of TIM can be identified<sup>v</sup>. The first contains the *Milieu Innovateur*  
13 and the Industrial District model. The French model *Milieu Innovateur*, which was the  
14 basis for the synthesis produced by GREMI (AYDALOT, 1986), stresses the role of  
15 endogenous institutional potential in producing innovative dynamic firms. The same  
16 basic idea is found in the Industrial District model, which focuses even more on the role  
17 of co-operation and partnership within the innovation process (BECATTINI, 1987). The  
18 second TIM family contains models belonging to the tradition of the Systems of  
19 Innovation: a translation of institutional co-ordination principles found in sectoral and  
20 national innovation systems onto the regional level (EDQUIST, 1997) or, more properly,  
21 an evolutionist interpretation of the regional learning economy within the regional space  
22 (COOKE, 1996; COOKE and MORGAN, 1998). The third TIM tradition stems from the  
23 Californian School of Economic Geography: the New Industrial Spaces (STORPER and  
24 SCOTT, 1988; SAXENIAN, 1994). In addition, there is a residual category,  
25 encompassing 'spatial clusters of innovation', which is not really another TIM family, as  
26 it has little affinity to regional analysis but lies close to Porter's clusters of innovation.  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 All these models share a large number of key-concepts that have been used in regional  
4 economics or analysis for a long time, or that have been borrowed from other disciplines,  
5 especially in social science.  
6  
7  
8  
9

10  
11  
12 Table 1 summarizes the meaning of territorial innovation and its features in most of these  
13 models<sup>vi</sup>. The learning region model has not been included because it can be considered  
14 as an essential synthesis of the features of many of the other TIM models.  
15  
16  
17  
18  
19

20  
21  
22 INSERT TABLE 1 ABOUT HERE  
23  
24  
25  
26

27 Most TIM models stress the instrumentality of institutions in the economic restructuring  
28 and enhanced competitiveness of regions and localities. But in none of these models is  
29 reference made to improving non-economic dimensions and non-market led sections of  
30 regional and local communities, unless such improvements could contribute in some way  
31 to the competitiveness of the territory. According to the TIM, quality of life in local and  
32 regional communities depends on growth of prosperity and will appear as a positive  
33 externality of higher economic growth; no distinction is made between wellbeing and  
34 growth, between community culture and business climate.  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

48 There is no doubt that TIMs take a significant step forward when compared to orthodox  
49 models of spatialised economic 'development' (e.g. neo-classical regional growth  
50 models) in that they recognize the explicit role of institutions (including firms) and their  
51 learning processes as key factors in economic development. In this way, they fill the  
52 'black box' of the neo-classical model of the firm and its networks which disregards the  
53  
54  
55  
56  
57  
58  
59  
60



1  
2  
3 institutional dynamics of innovative agents, and only considers the logic of rational  
4 economic agency. TIMs are therefore more socially sophisticated than neoclassical  
5 regional growth models, for they perceive institutional dynamics (culture, learning  
6 organizations, networks) as improving the market-competitiveness of the local economy.  
7  
8 (In orthodox development discourse, one could say that they make ‘development’  
9 functional to ‘growth’; the neo-classical adage turned upside down!). But at the same  
10 time TIMs reflect a societal ontology with a restricted view of economic development:  
11 innovation and learning will improve the market-economic performance of a region or a  
12 locality, and in this way will contribute to the achievement of other developmental goals  
13 (economic, social, political, cultural).  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

29 In other words: implicitly, TIMs do not consider either the multi-functionality or the  
30 allocative diversity of the ‘real’ economy – an economy that is in reality much broader  
31 than the capitalist market economy – or the other existential (non-economic) spheres of  
32 local and regional communities, such as the natural environment, the social-cultural  
33 (artistic, educational, social services) and the socio-political sphere. Despite their  
34 devotion to institutional dynamics, they are sworn to a market-based economic ontology  
35 and technological view of development. They blatantly overlook the past and present role  
36 of the structural mechanisms of growth and decline, even and uneven inter-regional  
37 exchange and development mediated by these institutions and their strategic agencies  
38 (HOLLAND, 1976). One could argue that in the TIM view of institutionalisation, the  
39 ‘lightness of being’ of the rationalist behavioural perspective transforms the institutional  
40 complexity of the real world and its development paths into self-evident path-breaking  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 strategic behaviour – thus rationalising history as if it would be organically engineering  
4 the innovative future!  
5  
6  
7  
8  
9

10  
11 Contrary to a structural-realist perspective the connections between agency, rationality  
12 and social relations have also been narrowed down to the latter's functionality for rational  
13 economic behaviour pursuing improved competitiveness for the regional or local  
14 economy. Another ontological aspect of the market-economist and instrumentalist view  
15 of institutional dynamics inherent in TIM is the narrow view of regional economic  
16 development policy. In tune with the TIM ontology, economic policy sectors are honed  
17 by prioritising technological innovation and rationalist learning procedures, while other  
18 sectors are geared towards market-led economic policy. Cultural, educational,  
19 transportation, urban development policies, etc. all become more or less subjugated to  
20 market competitiveness and lose the *raison d'être* and policy purpose specific to their  
21 own logic in contributing to the cultural, educational, environmental emancipation of  
22 human beings and their social groupings (MOULAERT and NUSSBAUMER, 2005).  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40

41 Finally TIMs suffer from what we could call a 'localist trap'. For a variety of reasons,  
42 they regard regional and local development strategies using endogenous resources as the  
43 appropriate answer to the uneven and unequal consequences of globalization and power  
44 strategies of global players (see for a critical perspective DUNFORD and GRECO,  
45 2006). This position waters down into a naïve misjudgement of the role of the latter and  
46 into an unbalanced view of how realistic regional development strategies should take into  
47 account both global players and especially their 'focal firms' (COE et al., 2004); at the  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 same time this denial of the ‘evil of the global’, leads to an unrealistic understanding of  
4  
5 the power of endogenous resources and how these have been managed. It would, for  
6  
7 example, be interesting to apply this perspective to Hassink and Lagendijk’s (2001)  
8  
9 observations on the ‘scant attention to interregional dimension of learning’ contrasting  
10  
11 with the strong focus on regional learning in regional development analysis. In its most  
12  
13 extreme reading the ‘localist trap’ also means that TIMs are defined in economic and  
14  
15 political isolation from the outside world. Old insights (see section 3) that TIMs can only  
16  
17 be successful thanks to economies of scale (and not only of scope as TIM do recognise)  
18  
19 and high-value added trade networks, and that regions and localities are competitors  
20  
21 within a wider economy and polity – with the risk that in absence of appropriate national  
22  
23 and supra-national development policies only a limited number among them will succeed  
24  
25 – and that macroeconomic dynamics and policy affect the regional development potential  
26  
27 seem to have been forgotten (AMIN, 1999). True, contemporary new regionalism  
28  
29 analysis is more realistic about this and “places increased weight on extra-local dynamics  
30  
31 shaping economic growth within regions” (COE et al., 2004, p. 469); but it remains an  
32  
33 enigma why today, in order to bring ‘new regionalism’ back to this level of geographical  
34  
35 complexity, established verities of the 1970s about path-dependency and the meaning of  
36  
37 wider spatial scales for development had to be reinvented from scratch.  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

48 These ontological positions of TIM have inspired at least two major epistemological  
49  
50 miscarriages which affect these models’ utility for working towards a structural-realist  
51  
52 methodology for regional development and policy analysis.  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 First, TIMs do not manage to disentangle normative from analytical perspectives in  
4 regional development research. In realism terms, they neither consider discourse and  
5 norm systems as socially produced, nor do they distinguish the specificity of cultural  
6 practices. The most significant consequence of this is that ‘intentionality of change in  
7 agency’ (e.g. innovative strategies, improved organizational learning) is taken as the main  
8 driving force of actual regional development. This leads recurrently to a situation in  
9 which real-life strategies are analysed as ‘imagineered’ future behaviour, as if the past  
10 and present of regional development can be explained only as the result of rational  
11 innovative behaviour within effectively organised learning processes (MOULAERT and  
12 SEKIA, 2003), or to a homogenised view of ‘best practice’ innovation strategies across  
13 different types of regions, irrespective of their development path – as rightly criticised by  
14 Tödting and Tripl (2005).  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

34 Second, despite TIMs’ significant contribution to re-institutionalising the study of  
35 territorial development, their analysis of institutional dynamics is framed by the  
36 instrumental interpretation of ‘territorial institutions for market-led growth’ and by what  
37 Hess (2004) calls an *over territorialized view of embeddedness*. This leads for example to  
38 either an over deterministic explanation of the role of globalization or a naïve  
39 understanding of the width of the manoeuvring space left to endogenous strategies within  
40 the global economy and society (DICKEN, 1994).  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

53 To overcome these epistemological flaws in the explanation of regional development and  
54 policy, we turn in section 3 to ‘older’ and/or more ‘cultured’ theories that offer clearer  
55  
56  
57  
58  
59  
60

1  
2  
3 explanations of the relationship between past, present and future; agency, structure and  
4  
5 institutions; institutions and culture; and development and policy. These theories,  
6  
7 therefore, hold potential for developing a structural-realist perspective to this explanation.  
8  
9

10  
11  
12 More recent attempts to overcome the devotion to local endogeneity and the neglect of  
13  
14 articulation between spatial scales have been made by the 'strategic coupling' approach  
15  
16 (COE et al., 2004), the revisiting of 'relational economic geography' (YEUNG, 2005),  
17  
18 the contextualisation of the territorial embeddedness approach (HESS, 2004) and the  
19  
20 path-dependent definition of local development strategies (COX, 2004). These we deal  
21  
22 with in the later section 4, as a spring-board for the presentation of our analytical  
23  
24 synthesis.  
25  
26  
27  
28  
29  
30  
31

### 32 **3. Old-timers on regional development**

33  
34 We have seen in section 2 that in contemporary literature on regional development 'new  
35  
36 regionalism' and TIMs are playing the first violin. But we noticed that these models  
37  
38 suffer from ontological and epistemological reductionism: they use idealised categories  
39  
40 of design strategies for future development also as key categories in the analysis of the  
41  
42 structural and institutional dynamics of the past, hence short-cutting the causality  
43  
44 relations between agency–institutions–structure; and they prototype regional  
45  
46 development policy as almost exclusively targeting improved competitiveness. To this  
47  
48 end they search for good or best practice combinations of technology and organization,  
49  
50 supported by regional and local institutional catalysts. They also tend to overlook the  
51  
52 effectiveness of non-economic factors and institutions in regional social and economic  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 development (HADJIMICHALIS, 2006). Most TIMs refer to a path dependency of  
4 regional development which is usually limited to the continuity of culture patterns and  
5 modes of social association between innovative agents and which does not consider the  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

development (HADJIMICHALIS, 2006). Most TIMs refer to a path dependency of regional development which is usually limited to the continuity of culture patterns and modes of social association between innovative agents and which does not consider the constraining or incapacitating impact of the historical paths followed by the so-called 'abstract' structures of the capitalist economy (division of labour, wage labour relationship, competition between capitals and market structures).

In this section we briefly survey 'old timers' which in their days did not fall victim to institutional instrumentalism and selective a-historicism as we have observed in TIMs. We successively look at Historicism, the schools of disequibrated growth, and radical economic geography. In the latter part of the section, we also turn to recent contributions in Cultural Political Economy which can be considered as bringing a new dimension to regional development analysis, e.g. by distinguishing different dimensions of cultural practice, important to fulfilling a structural realist perspective.

### 3.1 *Historicism and territorial development*

The German Historical School has been the basis of the development of 20<sup>th</sup> century economic growth and development theory.<sup>vii</sup> GHS contributions to a better understanding of the *Nazionalökonomie* and the various analyses of the stages of economic growth have had a major impact on later national and regional development theory and analysis. However, post WW II 'stages of growth' theory can only be indirectly connected to the German Historical School, mainly because the German literature was not well-known to Rostow and others, and also because of the influence of the British classical school on the

1  
2  
3 rise of the 'stages of economic growth' analyses which transformed the reading of  
4 historical development into a time-series record of economic growth performance  
5 indicators (HOSELITZ, 1960). A significant difference between the GHS and the  
6 Classical Economists is that the GHS already offered a real theory of economic dynamics  
7 (e.g. the idea of cumulative causation) whereas the Classics only provided principles for  
8 economic dynamics (such as the role of the changes in the division of labour following  
9 Adam Smith) while maintaining the view of an organic tendency towards equilibrium  
10 both of the economy and among its agents.<sup>viii</sup> The GHS contributed to the making of  
11 territorial development analysis in the following three ways:  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

27 - *The recognition of the growing role of the state and the industrialisation*  
28  
29  
30  
31

32 Nussbaumer (2002) demonstrates that significant numbers of ideas found in post Second  
33 World War literature on local and regional development were already present to some  
34 extent in the writings of the German Historical School. For example, the focus on the  
35 social dynamics of development, connected to the building of the Nation State from the  
36 different German states; social relations between the Nation-state and economic  
37 development; and, the culturally embedded socio-economic organisation of economic  
38 activities, have all been active features of discussion in the GHS literature.  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49

50 - *Space as a historical category*  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 Gustav Schmoller's writings (1884; 1905) have applied historical embeddedness to  
4 spatial analysis. Using an anthropological perspective, he showed how society  
5 appropriated space through the development of institutions that organise it according to  
6 the needs of the population. In other words: spatial institutions materialise the social  
7 relations that are developed in a community. Therefore, the evolution of needs and the  
8 economic system implies a transformation of the institutional configuration of space. The  
9 relative importance of institutional levels varies according to their relevance for the  
10 development of the (regional, local) community. However institutional evolution is not  
11 uniformly harmonious but produces conflicts. Power relations, both within and between  
12 institutions, form part of a dialectical movement. The interrelations between economic  
13 actors illustrate the political dimension of development; for instance those who try to  
14 influence policies by integrating town councils, and political powers that try to orient and  
15 promote economic activities. Space, considered from the perspective of its appropriation  
16 through (re)institutionalization, is embedded in the movement of history.

17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39 - *Spatial and territorial approach*

40  
41  
42  
43 The GHS territorial approach to development was mainly developed by Gustav  
44 Schmoller. He showed how competition and cooperation within and between institutions  
45 are important in creating opportunities for political intervention and for interaction  
46 between political action and the transformation of the economic system. This idea, linked  
47 to the emphasis on the combination of development factors necessary to generate  
48 development and the recognition that social relations within a group or community are  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60



1  
2  
3 part of the development process, leads to an analysis of development that links market  
4  
5 mechanisms to social interaction.  
6  
7

8  
9  
10 The contributions of the GHS have had a remarkable influence on the development of  
11  
12 later theories of regional endogenous development. Especially, its methodological  
13  
14 contributions such as the interactive analysis of causality and its significant impact on  
15  
16 methodological collectivism show its affinities with structural realism. And it has also  
17  
18 had an impact as one of the pillars of the Regulation Approach (VILLEVAL, 1995)  
19  
20 which we deal with in section 3.3.2.  
21  
22  
23

### 24 25 26 27 *3.2 Embedded regional development and cumulative disequilibrium*

28  
29 In the 1960s (or late 1950s) the simultaneous discovery of the difficulties of development  
30  
31 in the South and of regional and local problems of development in industrialised  
32  
33 countries due to massive transformation of the industrial system (HIRSCHMAN, 1984),  
34  
35 highlighted the significance of spatial scales of development and their diversified  
36  
37 political and economic dynamics.  
38  
39  
40

41  
42  
43 However, it would be illusionary to think that a smooth inter-paradigmatic path of  
44  
45 scientific progress led from the GHS scholars to the spatial development analysts of the  
46  
47 1960s. In the first half of the 20<sup>th</sup> century a rupture in the analysis of spatial development  
48  
49 [and location] came with the rise of neoclassical location and central place theory. There  
50  
51 were many reasons for this paradigmatic discontinuity, of which we cite only the few  
52  
53 most important: (i) US scholars' (who until the Interbellum frequently trained at German  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 universities) disapproval of German imperial policy – especially under the Nazi regime -  
4  
5 led to a loss of interest in the GHS that was strongly focused on the role of institutions in  
6  
7 general and the State *par excellence*; (ii) the euphoric spread of positivist scientific  
8  
9 methods in social science. Positivist methodology development was invigorated by the  
10  
11 rise of formal location analysis, already present at the end of the 19<sup>th</sup> century, especially  
12  
13 in Germany, which began to overrule the GHS approach by the second quarter of the 20<sup>th</sup>  
14  
15 century. We would have to wait till 1980s for a ‘mainstream’ critical realist answer to  
16  
17 the dominant positivist methodology in social science in general, and spatial development  
18  
19 analysis in particular.  
20  
21  
22  
23

24  
25 Gradually a growing separation occurred between pseudo-classical or neo-classical  
26  
27 location theory and regional growth theory on the one hand, and institutionalism-rooted  
28  
29 regional development theory on the other. The latter includes authors like Myrdal (1957),  
30  
31 Hirschman (1958) but also François Perroux (1955; 1983; 1988). Perroux is especially  
32  
33 remembered for his analysis of the relationships between economic agglomeration on the  
34  
35 one hand (growth poles within geographical space) and externalities (technological,  
36  
37 pecuniary) and power relations on the other; his growth pole and regional development  
38  
39 analysis adopts a strong institutional perspective and shows how unevenness in economic  
40  
41 relations is institutionally confirmed, with only well-established public policy being  
42  
43 capable of countering uneven development.  
44  
45  
46  
47

48  
49 An interesting novel presentation of Myrdal’s work on spatial socio-economic  
50  
51 development is given by Meardon (2001) who argues:  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 “In sum, Myrdal’s theory of agglomeration was part of a holistic alternative  
4 research program. Its main components were a critique of predominant  
5 economic theory, the development and interdisciplinary application of the  
6 concept of cumulative causation, and the proposal of public policies intended  
7 to reduce international, interregional, and even interracial inequalities – all  
8 founded upon explicitly stated value premises.” (p. 49).  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

20 For our purpose the ‘application’ of Myrdal’s cumulative causation framework to  
21 regional and interregional development is of particular interest. He discusses cumulative  
22 causation in terms of a tension between backwash and spread effects. He explains how  
23 agglomerations often originate as a consequence of either a single or a few economic  
24 initiatives (historical accidents) but that their development and dominance over lesser  
25 centres is a result of ever increasing internal and external economies in the growth  
26 centres. Cultural and political processes play a significant part in this, and the increasing  
27 inequality between growth and lesser centres can only be overcome by active and  
28 sustained public initiative (MYRDAL, 1957).  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

40 The confrontation between these institutionalist regional development analyses and the  
41 new regionalism is instructive and shows how the latter has simplified the ‘regional  
42 world’ into an agency space combining institutional and economic engineering – far  
43 removed from the real spaces of cumulative causation of growth and development in  
44 leading regions and localities, where political power-broking and unequal exchange  
45 based trade and investment networks play a significant part. This analysis of Myrdal and  
46 others also provides arguments explaining why worldwide maybe a thousand rather than  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 a million TIMs will flourish within the real global world and how successful regions will  
4 extort resources (human capital, innovative ideas, finance capital) from less successful or  
5  
6 poorer regions.<sup>ix</sup>  
7  
8  
9

### 10 11 12 *3.3 Political economy of regional development*<sup>x</sup> 13

14  
15 The political economy of regional development examines the deployment of the relations  
16 of production both within and as reproduced by the 'systems of regions'. Two influential  
17 analytical frameworks have been developed quasi simultaneously by Doreen Massey  
18 (1984) and Lipietz (1977). Both look at the articulation between the (spatial) hierarchy of  
19 the division of labour on the one hand and the reproduction of regional inequality on the  
20 other. Later contributors such as Markusen (1983) and Hudson (2001) have broadened  
21 the concept of social relations and its role in the analysis of the regionalization process  
22 and thus attributed more value to non-reductionist interpretations of regional  
23 development; and Sum (2006) has valorised the potential of a more culture-enhanced  
24 approach to regional development. These and other authors have stressed the need for  
25 better articulation of the different social processes through which space is constantly  
26 reproduced – and thus de facto executing Lefèbvre's concept (1974) in which he  
27 distinguishes between perceived, conceived and lived space and paves the way for a more  
28 counter-hegemonic, lived-diversity based approach to spatial development strategies.  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49

#### 50 51 *3.3.1 The spatial division of labour* 52

53 In his book 'Le capital et son espace', Alain Lipietz (1977) develops a Marxist theory of  
54 regional development. It combines an explanation of the regional inequality problem in  
55  
56  
57  
58  
59  
60

1  
2  
3 terms of the condition of the rural economy in France with a spatial division of labour  
4  
5 model of manufacturing and service activities across the space-economy. To do so  
6  
7  
8 Lipietz analyses 'interregionality' ("les rapports qui s'établissent entre régions  
9  
10 inégalement développées au sein d'une zone d'intégration articulée en circuits de  
11  
12 branches desservant un marché unique", p. 84) on the basis of the flows or circuits of the  
13  
14 branches of production. For this purpose he examines the articulation between  
15  
16 'pre'capitalist relations of production – especially as materialised in traditional  
17  
18 agriculture – and the capitalist relations of production as expressed in manufacturing  
19  
20 [especially fordist] branches of production. Lipietz analyses explicitly both the  
21  
22 development of, and the articulation between, modes of production within the complexity  
23  
24 of state – capital relations (i.e. the complexity of national social formations, regional  
25  
26 armatures and the over-arching 'imperialist multinational bloc'). He establishes a  
27  
28 hierarchical typology of regions: central, intermediary and peripheral. His original  
29  
30 empirical basis for this work is the spatial development of industry in relation to  
31  
32 agriculture in France; later he completes his analysis using evidence from the regional  
33  
34 development of the service sector, which he considers as a further though partial  
35  
36 expression of the permanent laws of capital accumulation (concentration, agglomeration  
37  
38 of capital, deskilling of direct producers, etc.) and which he links to the deskilling  
39  
40 industrialisation of metropolitan regions both internally and at their peripheries  
41  
42 (LIPIETZ, 1980: 68).  
43  
44  
45  
46  
47  
48  
49

50 Doreen Massey's analysis of divisions of labour and the reproduction of uneven spatial  
51  
52 development in the UK has strong parallels with Lipietz's in France. Massey (1984: 67):  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 “If the social is inextricably spatial and the spatial impossible to divorce from  
4 its social construction and content, it follows not only that social processes  
5 should be analysed as taking place spatially but also that what have been  
6 thought of as spatial patterns can be conceptualised in terms of social  
7 processes. [...] The primary social process which the geography of jobs  
8 reflects is production. The spatial distribution of employment, therefore, can be  
9 interpreted as the outcome of the way in which production is organised over  
10 space.”  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

24 Then Massey develops the argument that the social relations of production are necessarily  
25 deployed in space and in a variety of forms, which she calls spatial structures of  
26 production. Such spatial structures, although often similar across social spaces, should  
27 never be considered as archetypes, deterministically reproduced through the reproductive  
28 dynamics of capitalism. Instead the geographical forms of the organisation of production  
29 should be examined empirically. In capitalist production systems two distinct types of  
30 hierarchies quite often overlap and reinforce each other: (i) the managerial hierarchy –  
31 comparable to Hymer’s (1972) control structure linking headquarters to subsidiaries and  
32 branch plants; (ii) the hierarchy of the production process itself with R&D (often)  
33 separated from it; and the production process itself consisting of the production of  
34 technically more complex components (engineering) as well as the final assembly of  
35 commodities. Massey stresses that, in most cases, a country’s national economic  
36 geography – perceived as the ensemble of geographical forms of the organisation of the  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 economy – “reflects its position in the international political economy, the international  
4  
5 division of labour” (p. 82-83).  
6

7  
8 Both Lipietz and Massey keep underlining that the reproduction of social space is not a  
9  
10 one-way causal outcome of the organisation and reproduction of the capitalist production  
11  
12 system. Massey: “Spatial structures are established, reinforced, combated and changed  
13  
14 through political and economic strategies and battles on the part of managers, workers  
15  
16 and political representatives” (p. 85) Political struggle will ultimately determine these  
17  
18 forms. However national territories and their spatial organization significantly reflect the  
19  
20 unevenness embedded in the corporate hierarchies, be it manufacturing firms (HUDSON,  
21  
22 2001) or service providers and their networks (MARTINELLI and MOULAERT, 1993).  
23  
24 But the material outcome of this use of space will ultimately depend on capital-labour  
25  
26 relations within the regional system, the strength of the unions and the strength of the  
27  
28 class-balance of the State apparatus.  
29  
30  
31  
32  
33  
34  
35

### 36 37 *3.3.2 Cultural and socio-political dimensions of regional development*

38  
39 Observe that these analyses of regional development, although attaching significant  
40  
41 importance to social relations and regulation (especially by the State), *still employ an*  
42  
43 *economic interpretation of social relations and their spatial forms.* Later work, often  
44  
45 influenced by Lefèbvre (1974), such as the regulationist analysis of spatial development  
46  
47 (LEBORGNE and LIPIETZ, 1990; MOULAERT, SWYNGEDOUW and WILSON,  
48  
49 1988; MOULAERT and SWYNGEDOUW, 1989; MOULAERT, 1995) and gender and  
50  
51 diversity literature (see e.g. BLUNT and WILLS, 2000) broadens the whole idea of social  
52  
53 relations in space, and shows how different conceptions of space lead to a better  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 understanding of regional development, its potential opportunities and how these feed  
4 into the development paths and visions of past and present.  
5  
6

7  
8 Lefèbvre's generic work on the production of (social) space has had a determining  
9 influence on spatial analysis across most disciplines. In his Marxist approach to space,  
10 Lefèbvre contrasts perceived, conceived and lived space and addresses the spatial  
11 character of each of them by distinguishing spatial practices, representations of space,  
12 and representational spaces. Although he stresses the relations of production and their  
13 spatial deployment when applying these trialectics to capitalist society, his approach,  
14 more than that of Lipietz and Massey, leaves all doors open to look beyond 'abstract'  
15 space created by capitalist dynamics, and to include [other than production] social  
16 relations, representations of space and representational spaces involved in the  
17 reproduction of society and the interaction between hegemonic and counter-hegemonic  
18 movements. However, Lefèbvre never breaks the links between production relations and  
19 other social relations in society.  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

39 In recent years several contributions to regional development analysis have used a  
40 broader perspective on social relations, addressing their diversity and their cultural as  
41 well as structural dimensions. We cite four contributions in particular:  
42  
43  
44  
45  
46  
47

48 - Markusen's (1983) work on Regionalism and Regional Development: Markusen  
49 explains how territorially defined regions are relevant to political economists when  
50 conflicts in social relations of production are perceived as regional conflicts by the actors  
51 involved. She calls this perception *regionalism*, "the espousal of a territorial claim by  
52  
53  
54  
55  
56  
57  
58  
59  
60



1  
2  
3 some social group”, or in the case of a political movement “the political claim of a  
4 territorially identified group of people against one or several mechanisms of the State...”  
5

6  
7 Although ‘regionalism’ for Markusen is clearly a subjective and experiential term, it can  
8 also refer to objective social dynamics that cause territorial differences in social  
9 formations. In this way it may refer to the different social relations and institutions which  
10 embody or govern relationships within the human community: the household, the State,  
11 and cultural institutions.  
12

13  
14 Because the term *region*, warns Markusen, “connotes a territorial, not social, entity,” its  
15 use can lead to a number of epistemological (including conceptual) errors. First, region  
16 might be confused with all social relations that are territorially based. As such, a class  
17 conflict or a conflict between cultural groups might be wrongly perceived as a conflict  
18 between regions (Markusen gives a number of examples). Second, it is probable that the  
19 existing territorially defined regions (state, cultural identity, natural habitat, etc.) are only  
20 partially relevant to the spatiality of the social relations determining the dynamics of  
21 social reality in the region.  
22

23  
24 Although Markusen explains very well how territorially defined regions can be an issue  
25 in political economy, a regional issue itself can only be fully understood if the spatial  
26 expression of the social relations – that is, the spatial organization of which the region  
27 forms a part – is fully understood also. Markusen’s framework recognises the diversity of  
28 social relations – beyond strict confinement to (social) relations of production – and thus  
29 is highly significant for the analysis of the spatial nature of social and economic  
30 development within and across regions and localities.  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 - Gender and Diversity. The inclusion of gender and diversity (using a multi-ethnic  
4 perspective for example) together with the role of the wage-labour relationship in the  
5 analysis of regional development have enriched the understanding of the role of female  
6 and migrant labour in regional labour markets (MASSEY, 1984), the uneven  
7 reproduction of patriarchal professional hierarchies (MULLINGS, 2005) and the design  
8 of alternative emancipation and spatial development strategies (BLUNT and WILLS,  
9 2000).

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22 - Regulation Approach and Local/ Regional Development: The 'territorialization' of the  
23 regulationist approach has reinvigorated the debate on the analytical (and strategic)  
24 weaknesses of regulation theory and contributed to overcoming them (LEBORGNE and  
25 LIPIETZ, 1990; MOULAERT, SWYNGEDOUW and WILSON, 1988; MOULAERT  
26 and SWYNGEDOUW, 1989; MOULAERT, 1995; PECK, 1996; PECK and TICKELL,  
27 1992). Reformulating regulationism, after a refreshing territorial bath, is meant to enable  
28 this at first National Social Formation oriented analytical framework to address regional  
29 development. The revisited regulationist approach includes: (i) an articulated time-space  
30 approach to subsequent modes of development and their concrete forms; (ii) a greater  
31 focus on the impact of non-economic structural dynamics on regional and local  
32 development; (iii) the broadening of the reading of regulatory dynamics from 'pure  
33 economic' and 'state agency' to different types of formal and informal regulation; (iv)  
34 redefining the role of agency and behavioural codes within the broader definition of  
35 institutional dynamics; (v) a reading of social reproduction at the local and regional level  
36 which is both extensive and respecting of diversity, and is in tune with recent insights on  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 the role of culture, gender and diversity in spatial development strategies,  
4  
5 institutionalization and structural transformations; (vi) the recognition of power relations  
6  
7 together with social and political struggle as critical analytical categories in regulation  
8  
9 theory (MOULAERT, 2000). These improvements to the Regulationist Approach within  
10  
11 the territorial regulationist approach resonate with most of the concerns about the one-  
12  
13 track approach of political economy, i.e. overemphasis on the determinist explanatory  
14  
15 power of the social relations of production, and how to overcome them, and also several  
16  
17 of the concerns of a structural-realist approach to regional development analysis. Not  
18  
19 covered in this corrigendum, however, is the role of discourse both in reproducing culture  
20  
21 and as a 'real' strategy, which has been a concern of the cultural political economy  
22  
23 approach to socio-economic development, but also addresses the cultural concerns of the  
24  
25 realist approach.  
26  
27  
28  
29  
30  
31  
32  
33

34 - Cultural Political Economy and Discourse: Recent work on the relationships between  
35  
36 Culture, Discourse, Identity and Hegemony (CDIH) has laid the foundations for an  
37  
38 improved integration of two analyses: the analysis of social and cultural embedding of  
39  
40 agency and the social construction of institutional change (the 'pure' cultural turn in  
41  
42 social science) as well as the more 'structural-materialist' social science analysis  
43  
44 stressing the historical specificity and material effectivity of economic categories and  
45  
46 practices as applied by e.g. the Regulation Approach or the Strategic-Relational  
47  
48 Approach (SUM, 2006; 2005; JESSOP, 2001; JESSOP and SUM, 2006; SUM and  
49  
50 JESSOP, 2007). According to Sum (2006) "The CDIH model [within the cultural  
51  
52 political economy approach] seeks to develop a more balanced approach that pays due  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 attention to the material-discursive nature of social relations, albeit based on a more open  
4  
5 conception of social structure (SMART, 1986; FAIRCLOUGH, 1992; JESSOP, 1990;  
6  
7 GIBSON-GRAHAM, 1996), as well as to the strategic-discursive moment that is  
8  
9 associated with the textual or semiotic aspects of social relations and their emergent  
10  
11 properties.” (p. 6). Over the last few years Cultural Political Economy (CPE) approaches  
12  
13 have enriched regional development analysis by focusing on the role of discourse and  
14  
15 identity-building in defining regional and urban policy and interpreting ‘histories’ of  
16  
17 regions and cities. The most promising of these applications are based on the integration  
18  
19 of critical discourse analysis into variants of the regulation approach that retain strong  
20  
21 residual elements of the Marxist critique of political economy. In this way, CPE takes the  
22  
23 cultural turn, with its emphasis on discursive-strategic questions, in the analysis of socio-  
24  
25 economic development without sacrificing the lessons of a materialist-structural analysis  
26  
27 of the historically specific socio-economic dynamics of capitalist economies. Following  
28  
29 Sum (2005) this integration examines the development of economic imaginaries and  
30  
31 associated *grand narratives* at various *interlocked spatial scales*; and also explores how  
32  
33 these imaginaries and narratives facilitate the emergence and consolidation of not only  
34  
35 hegemonic systems (of which they are also an important moment) but also of counter-  
36  
37 hegemonic movements. Economic imaginaries involve spatio-temporal horizons of action  
38  
39 and are institutionalized in specific spatio-temporal matrices and, as such, have major  
40  
41 implications for spatial development. In particular, they have a significant impact on how  
42  
43 regulation and strategic agency are reproduced at the regional and local level. Moreover,  
44  
45 the modes by which grand discourses are reproduced via struggles at the *global and*  
46  
47 *national scales* are highly relevant in coming to grips with the role of discourse in  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 reproduction and accumulation at the local and regional level. Interesting illustrations of  
4 this approach are Hajer (1995), Sum (2002) on Hong Kong, Gonzalez (2005 and 2006)  
5 for the Basque Country and Bilbao (Northern Spain), Raco (2003) on Scotland, McGuirk  
6 (2004) on Sydney, and Moulaert et al. (2007) in relation to urban redevelopment policy in  
7 Milan, Antwerp, Vienna and Naples.  
8  
9

10  
11  
12  
13  
14  
15  
16  
17  
18 One could summarize the discussion in section 3 by arguing that the 'objectivation' of  
19 social relations, the broadening of their conceptualisation from economic to social and to  
20 cultural dimensions as well as their historical and spatial embedding have made a major  
21 contribution to the building of a structural-realist methodology for regional development  
22 analysis. These analytical merits will be valorised in the next section, where we will work  
23 toward a new synthesis in regional development analysis.  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

#### 34 **4. Methodological prospects: toward a structural realist synthesis for regional** 35 **development analysis** 36 37

38  
39 Over the last fifteen to twenty years the literature on regional development and regional  
40 development policy has been dominated by the New Regionalism approach and its  
41 Territorial Innovation Models, of which the most popular today is the Learning Region.  
42  
43 Although New Regionalism did reintroduce the role of institutional dynamics and path  
44 dependency into regional development analysis, unfortunately, its analytical potential  
45 soon became constrained by a contemporary reading of the historical and institutional  
46 foundations of development, thus reducing path dependency to the reproduction of  
47 specific assets and institutions within local and regional communities. At the same time,  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 the scalar geography of this approach overlaid the role of the local and regional  
4 territory at the expense of interdependencies with other spatial scales. By doing so, the  
5 opportunities or constraints stemming from globalization were often miscalculated, and  
6 the critical role of supra-regional governance – with still currently an important role for  
7 the National state – overlooked. As a consequence, TIMs have become idealised icons of  
8 development dreams instead of much needed models addressing the politics and policy of  
9 the possible (on the latter, see NOVY and LEUBOLT, 2005; SWYNGEDOUW, 2005). It  
10 is therefore of critical importance to move beyond new regionalism, and to develop an  
11 alternative perspective to regional development that manages to find a solution to most of  
12 the analytical shortcomings mentioned in the earlier sections of this paper. As explained  
13 in the introduction, we have opted for a structural realist approach to establish this  
14 perspective.

#### 34 *4.1 Beyond New Regionalism*

35  
36 Before moving on to our methodological synthesis for regional development analysis, we  
37 focus on some recent contributions to overcome some of the flaws of New Regionalism  
38 models. We address consecutively the approaches of strategic coupling, of social  
39 embeddedness and of relational geography.

40  
41 Coe et al. (2004) explain how the *strategic coupling approach* offers a way out of the  
42 localist trap overshadowing new regionalism theories and Territorial Innovation Models:

43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53 “Drawing upon a global production networks (GPN) perspective and deriving  
54 insights from both the new regionalist and GCC (Global Commodity Chain)  
55  
56  
57  
58  
59  
60

1  
2  
3 and GVC (Global Value Chain) literatures, our approach focuses on the  
4  
5 dynamic ‘strategic coupling’ of global production networks and regional  
6  
7 assets, an interface mediated by a range of institutional activities across  
8  
9 different geographical and organizational scales. Our contention is that  
10  
11 regional development ultimately will depend on the ability of this coupling to  
12  
13 stimulate processes of value creation, enhancement and capture.” (p. 469)  
14  
15  
16  
17  
18  
19

20 Notwithstanding the fact that the strategic coupling approach offers a major corrigendum  
21  
22 to the most localist among the TIMs, it is not really as successful as it pretends in  
23  
24 analysing regional development as a set of relational processes. Although we support a  
25  
26 process view of regional development, in our opinion processes involve more than  
27  
28 relational dynamics as they have been analysed in the relational geography approach.  
29  
30

31 Two other recent contributions from (economic) geography have scrutinised ‘spatial’  
32  
33 relationships in development. The ‘*social embeddedness*’ approach attempts to bypass  
34  
35 the limits of territorial embeddedness – often implicitly assumed in many TIMs. Hess  
36  
37 (2004) seeks to do so by illuminating the concept of ‘embeddedness’; first by explaining  
38  
39 the evolution of embeddedness in Karl Polanyi’s work and then moving on to  
40  
41 Granovetter’s distinction between relational and structural embeddedness, with “the  
42  
43 former describing the nature or quality of dyadic relations between actors, while the latter  
44  
45 refers to the network structure of relationships between a number of actors” (p. 170-171).  
46  
47  
48  
49

50 Two observations should be made on Hess’ synthesis of the ‘rescaled’ embeddedness  
51  
52 approach: it overcomes the local scale bias of embeddedness in a positive way (social  
53  
54 embeddedness occurs at related spatial scales); but unfortunately it clings to an  
55  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

‘interactive’ interpretation of social structure – in fact it uses a definition of social structure as ‘interactively constructed’, not historically and ‘societally’ reproduced.

A similar observation can be made about Yeung’s (2005) critical survey article on relational economic geography which is both illuminating and debate provoking. Yeung – inspired by Jessop (2001) – rightly points out that the recent relational turn in economic geography is mainly a thematic one and that an ontological-epistemological relational turn is still to come. He connects the recent popularity of relational thought in economic geography partially to the analytically limited (presumed) structural determinism of Social Relations of Production (and Spatial Division of Labour; see section 3.3.1 above) that leaves little room to analyse mid-range institutionalisation and micro-agency. He compares three recent thematic turns in relational geography: (i) regional and local development as a function of synergised relational assets; (ii) relational embeddedness in networks; (iii) relational scales. (i) coincides largely with the theoretical approach used in the New Regionalism/TIM approach while (ii) matches the ‘social embeddedness’ line of analysis summarised and revisited by Hess. But (iii) in our opinion offers a misunderstanding of the meaning of the scalar articulation approach. Swyngedouw, Peck, Brenner etc. do not offer a relational geography approach – at least not in the interactive interpretation of relationality which Yeung attributes to these authors – but make a successful attempt to overcome the scale problem of the reproduction of social relations in space (see especially SWYNGEDOUW, 1997). To do so, they improve mainly on the territorialized version of the *Regulation Approach* which, although it provides the analytical key to the spatial articulation approach, strangely enough is not mentioned in Yeung’s article. This observation is not just hair splitting, but points to a significant



1  
2  
3 distinction between the meanings of 'relationality' in the different 'relational turns'  
4  
5 examined by Yeung. Indeed, for the authors of the scalar articulation approach,  
6  
7  
8 relationality refers to social relations in the political economy meaning of the term, and  
9  
10 not to interactive dynamics as meant in both the new regionalism or social embeddedness  
11  
12 thematic turn. A real 'methodological' relational turn should clarify this distinction, as it  
13  
14 should also clarify the distinction in relationality between objects and as social processes.  
15  
16  
17 In the Political Economy and the Regulation Approach for example, social relations are  
18  
19 not relations between objects but are social processes that are historically and spatially  
20  
21 articulated. In consequence, they cannot be changed as a rule through the action of  
22  
23 individual actors but through social forces such as (counter) hegemonic movements,  
24  
25 institutionalisation processes, cultural upturns,... And they are different ontologically and  
26  
27 epistemologically from the type of relationality studied in mainstream network analysis.  
28  
29  
30 More careful study is needed therefore of the types of relationality that are relevant to  
31  
32 economic geography.  
33  
34  
35  
36  
37  
38

#### 39 *4.2 Towards a meta-theory for regional development analysis*

40  
41 To re-equilibrate the framework of regional development analysis, a return is necessary  
42  
43 to the 'old' interpretation of institutional dynamics and structural relations. But to lead a  
44  
45 comprehensive analysis of regional development these [rediscovered] structures as time-  
46  
47 and-place robust institutions and mediated social structures should be combined with an  
48  
49 interactionist view of relations between 'development' agents, the specificity of their  
50  
51 agency and a cultural perspective on their agency and institutionalization. Keeping in  
52  
53 mind the concerns of the SR approach presented in section 1, this synthesis can best be  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 achieved by starting from a meta-theoretical framework as suggested by Storper and  
4 Walker (1983) and Moulaert (1987). Such a framework is based on a social ontology that  
5 includes 'empowered' structural relations in which the capitalist relations of production  
6 are dominant, but where 'other' social relations are part and parcel of the social process.  
7  
8 This ontology comes quite close to that of the Regulation Approach – sometimes  
9 designated as a meta-theory by itself. However, as pointed out in section 3.3.2, the  
10 Regulation Approach misses several cultural dimensions and fails to recognise the  
11 relative autonomy of social relations in space-and-place. In addition it is poor in dealing  
12 with the social and cultural dynamics of agency and its micro-networks. We therefore  
13 argue here that to achieve an appropriate framework for regional development analysis, a  
14 number of 'open' theories fitting or fittable to the SR approach could be brought together.  
15  
16 Open theories, can be considered as theories that denominate a limited number of  
17 structures, institutions or typical agencies, but do not provide specific theorisation of the  
18 causalities or relations between the objects they host. They can be combined into a meta-  
19 theoretical synthesis, with a shared social ontology. The synthesis we defend here  
20 combines an Empowered Network Perspective (MOULAERT and CABARET, 2006)  
21 with a 'Culturalised' Regulation Perspective – an integration of a Regulation Approach  
22 with a Cultural Political Economy perspective (JESSOP and SUM, 2006; MOULAERT  
23 et al., 2007). Together, these offer a meta-theoretical framework that could host various  
24 contributions from old and new institutional and political economy approaches to  
25 regional development.  
26  
27

28  
29  
30 Our support for this meta-theoretical integration is based on our agreement with relational  
31 (socio) economic geography that relationality has many dimensions: interaction,  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

1  
2  
3 embeddedness and scalar articulation; at the same time our endeavour is a reaction  
4  
5 against the 'networkish' interpretation of relationality inherent in most relational  
6  
7 geography applications, which stress the central role of agents as architects of networks  
8  
9 and their institutions while overlooking the role of structural relations – as processes – in  
10  
11 the reproduction of agency networks and their institutions. To calibrate this reaction, we  
12  
13 appeal to a Regulation Approach but one upgraded from a Cultural Political Economy  
14  
15 perspective, as argued in section 3. This allows us to bring structural relations and power  
16  
17 into the network metaphor, i.e. to empower network theory. Figure 1 here and the  
18  
19 subsequent discussion reflect how a meta-theoretical foundation can be established.  
20  
21  
22  
23  
24  
25  
26  
27

28 INSERT FIGURE 1 ABOUT HERE  
29  
30  
31  
32

33 Starting from a detailed reading of network analysis in evolutionary economics and  
34  
35 organizational sociology, Moulaert and Cabaret (2006) argue that using the network  
36  
37 metaphor as a concept for analysing real-life situations as basically the interaction  
38  
39 between agents and the resulting outcomes, is a logical intellectual ambition:  
40  
41  
42  
43  
44

45 “Human life, organizations and agencies are based on interactions between human  
46  
47 beings that are to a large extent networked amongst themselves. Agents  
48  
49 (individuals, organizations) develop and share cultures, modes of communication,  
50  
51 principles of (network) action and ways of building institutions. These institutions  
52  
53 will of course not just be the outcome of voluntary institutional engineering  
54  
55 within the networks, but will also depend on the interaction between the network  
56  
57  
58  
59  
60

1  
2  
3 dynamics, the network environment and the development paths of the society and  
4  
5 communities to which the network belongs. Thus network theory is useful in  
6  
7 modelling strategies and policy actions in regional and local development.” (p.  
8  
9 54).  
10  
11

12  
13  
14  
15 Better than ‘structural’ social theories, the network metaphor, by looking at cognitive  
16  
17 processes, the role of network culture and the production of discourse, offers a natural  
18  
19 link to cultural political economy. However, most current network theories defend  
20  
21 reductionist rational approaches to human behaviour (for a critique, see  
22  
23 HADJIMICHALIS and HUDSON, 2006), stress the role of procedures in information  
24  
25 gathering, exchange and institution building but deal very poorly with social structures,  
26  
27 power and power-relations. To overcome this weakness, Regulation Theory can step in.  
28  
29  
30  
31

32  
33  
34 Although Regulation Theory, like Marxism, primarily looks at economic (strategic)  
35  
36 behaviour, its theorising of social and political structure as social relations focused on  
37  
38 power relations and institution building as a social process, is relevant to ‘empowering  
39  
40 networks’ within society. Similarly, property relations, labour-capital relations, finance  
41  
42 capital, the State as an extended logic of capital, etc. play a direct role in most networks  
43  
44 embedded in the socio-economic world. In network terminology, this means that  
45  
46 stakeholders hold significantly unequal stakes, the decision-making space is limited or  
47  
48 uneven, and, in extreme cases, the outcome of negotiation processes is known  
49  
50 beforehand, because the structural-institutional impact of the logic of capital and politics  
51  
52 is so influential. By using the embeddedness approach of Polanyi and Granovetter, we  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 could not only embed the network analysis of strategic behaviour and policy making by  
4 leading regional and local agents within the Regulationist Approach of social relations,  
5 but also use that approach to study the reproduction of the economic, political, social and  
6 cultural structures of the region and its localities (MOULAERT and SWYNGEDOUW,  
7 1989).

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18 These structures – together with the networks embodying their micro-dynamics – then  
19 become ‘encultured’, under the Cultural Political Economy’s revisiting of social analysis  
20 by looking at the role of culture, identity and discourse and how they affect social forces  
21 and strategic agency. As indicated in section 3 the work of Sum (2005, 2006) in  
22 particular has been bridge-building in this respect. Inspired by Jessop (1990) and Anglo-  
23 Foucauldian theorists such as Rose and Miller (1992) and Dean (1999), Ngai-Ling Sum  
24 has designed a heuristic device that links the macro and micro processes – especially  
25 stressing the role of discourse - of hegemony and counter-hegemony making. In six inter-  
26 related moments that highlight the discursive dimensions of social relations and  
27 individual and collective agency, she provides the concepts necessary to analyse the  
28 relationship between ‘real’ and ‘cultural’ articulation via the examination of struggles  
29 involved in the material-discursive practices of everyday life. As shown in cited case-  
30 studies (section 3) this adds real value to the understanding of culture and discourse in  
31 regional and local development and policy.

32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53 As explained before we label the integration tripod of network theory, regulation  
54 approach and cultural political economy as a ‘meta theoretical framework’ because it  
55  
56  
57  
58  
59  
60

1  
2  
3 provides a social ontology and epistemology for spatial development analysis, but does  
4  
5 not expand the specific theories that shed light on the various dimensions and questions  
6  
7 of regional and local development. To this end, we should return to the survey of theories  
8  
9 in sections 2 and 3 which offer specific intelligence on each of these dimensions: e.g.  
10  
11 Myrdal on economic and political factors and mechanisms of centre-periphery relations,  
12  
13 Hirschman on the significance of political processes in regional development, Lipietz on  
14  
15 the links between the reproduction of economic structure and the State apparatus,  
16  
17 Markusen on the role of social and political movements in the regionalization process;  
18  
19 and many others. Looking at these theories within this newly defined triangular field of  
20  
21 ‘social relations – networks of agents – cultural dynamics’ may offer a wind of change –  
22  
23 yet one redolent of the prickling dust of historical manuscripts that are badly needed  
24  
25 today but have rested for too long on library shelves – in addressing regional  
26  
27 development and policy.  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

## 5. References

AMIN A. (1999) An institutionalist perspective on Regional Economic Development, *International Journal of Urban and Regional Research*, **23**(2), 365-378.

AYDALOT Ph. (1986) *Milieux innovateurs en Europe*. (Innovative 'Milieux' in Europe). GREMI, Paris.

BECATTINI G. (1987) *Mercato e forze locali: il distretto industriale*. Il Mulino, Bologna.

BLUNT, A. and WILLS, J. (2000) *Dissident Geographies: An introduction to radical ideas and practice*, Pearson Education, Harlow.

COE, N.M., HESS, M., YEUNG, H.W.C., DICKEN, P., and HENDERSON, J. (2004) 'Globalizing' regional development: a global production networks perspective, *Transactions of the Institute of British Geographers* **29**(4), 468–484

COOKE, Ph. (1996) Reinventing the region: firms, clusters and networks in economic development, in DANIELS, P. and LEVER, W. (Eds) *The global economy in transition*. Longman, Harlow.

1  
2  
3 COOKE, Ph. and Morgan, K. (1998) *The Associative Region*, Oxford University Press,  
4  
5  
6 Oxford.

7  
8  
9  
10 COX, K.R. (2004) Globalization and the politics of local and regional development: the  
11  
12 question of convergence, *Transactions of the Institute of British Geographers* **29**(2), 179–  
13  
14  
15 194

16  
17  
18  
19  
20 DEAN, M. (1999) *Governmentality: Power and Rule in Modern Society*, Sage, London.

21  
22  
23  
24 DICKEN, P. (1994) The Roepke Lecture in Economic Geography. Global-Local  
25  
26 Tensions: Firms and States in the Global Space-Economy. *Economic Geography* **70**(2),  
27  
28 101-128.  
29  
30

31  
32  
33  
34 DUNFORD, M. (1988) *Capital, the State and Regional Development*, London, Pion

35  
36  
37  
38  
39 DUNFORD, M and GRECO, L. (2006) *After the Three Italies*, Blackwell, Oxford.

40  
41  
42  
43 EDQUIST, Ch. (Ed) (1997), *Systems of Innovation: Technologies, Institutions and*  
44  
45  
46 *Organizations*. Pinter, London

47  
48  
49  
50 FAIRCLOUGH, N. (1992) *Discourse and Social Change*. Polity, Cambridge.



1  
2  
3 FUJITA, M. KRUGMAN, P. and VENABLES, A.J. (1999) *Spatial Economy. Cities,*  
4 *regions, and international trade.* MIT Press, Cambridge MA.  
5  
6  
7

8  
9  
10 GIBSON-GRAHAM, J.K. (1996) *The End of Capitalism.* Blackwell, Oxford.  
11  
12

13  
14  
15 GONZALEZ, S. (2005) The politics of the economic crisis in the Basque Country and  
16 Spain during the 1980s. *Space and Polity* 2005, **9**(2), 93-112.  
17  
18  
19

20  
21  
22 GONZALEZ, S (2006) Scalar narratives in Bilbao: A cultural politics of scales approach  
23 to the study of urban policy. *International Journal of Urban and Regional Research.*  
24  
25  
26 **30**(4), 836-857.  
27  
28

29  
30  
31 HADJIMICHALIS, C. (2006) Non-economic factors in economic geography and in ‘new  
32 regionalism’: A sympathetic critique. *International Journal of Urban and Regional*  
33 *Research*, **30**(3), 690-704.  
34  
35  
36  
37

38  
39  
40 HADJIMICHALIS, C. and HUDSON, R. (2006) Networks, Regional Development  
41 and Democratic Control. *International Journal of Urban and Regional Research*, **30**(4),  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

51 HAJER, M. (1995) *The politics of environmental discourse. Ecological modernization*  
52 *and the policy process,* Oxford University Press, Oxford.  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 HARVEY, D. (1982) *The Limits to Capital*, The University of Chicago Press, Chicago.  
4  
5  
6  
7

8  
9 HASSINK, R. and LAGENDIJK, A. (2001) The dilemmas of interregional institutional  
10 learning, *Environment and Planning C: Government and Policy*, **19**(1), 65-84.  
11  
12

13  
14  
15  
16 HESS, M. (2004) 'Spatial' relationships? Towards a reconceptualization of  
17 embeddedness, *Progress in Human Geography*, **28**(2), 165–186  
18  
19

20  
21  
22  
23 HIRSCHMAN, A. O. (1958) *The strategy for economic development*, Yale University  
24 Press, New Haven CT  
25  
26

27  
28  
29  
30 HIRSCHMAN, A.O. (1984) The On and Off Connection Between Political and  
31 Economic Progress, *The American Economic Review*, **84**(2), 343-348.  
32  
33

34  
35  
36  
37 HOLLAND S. (1976) *Capital versus the Regions*, The MacMillan Press, London.  
38  
39

40  
41  
42 HOSELITZ, B. F. (1960) *Theories of Economic Growth*, Free Press, New York.  
43  
44

45  
46  
47 HUDSON, R. (2001) *Producing Places*. Guilford, New York.  
48  
49

50  
51  
52 HYMER, S. (1972) The multinational corporation and the law of uneven development, in  
53

54 BHAGWATI, J. (Ed), *Economics and the World Order*, The Macmillan Press, London.  
55  
56  
57  
58  
59  
60

1  
2  
3 JESSOP, B. (1990) Regulation Theories in Retrospect and Prospect, *Economy and*  
4  
5 *Society*, **19**(2), 153-216.  
6  
7

8  
9  
10 JESSOP, B. (2001) Institutional re(turns) and the strategic relational approach,  
11  
12 *Environment and Planning A*, **33**(7), 1213-1235.  
13  
14

15  
16  
17 JESSOP, B. and SUM, N-L. (2006) *Beyond the regulation approach: putting capitalist*  
18  
19 *economies in their place*, Edward Elgar, Cheltenham  
20  
21

22  
23  
24 KEATING, M. (1998) *The New Regionalism in Western Europe: territorial restructuring*  
25  
26 *and political change*. Edward Elgar, Cheltenham.  
27  
28

29  
30  
31 LEBORGNE, D. and LIPIETZ, A (1990) *Fallacies and Open Issues of Post-Fordism*,  
32  
33 *Couverture Orange* , no. 9009, CEPREMAP, Paris  
34  
35

36  
37  
38 LEFÈBVRE, H. (1974) [2004] *The Production of Space*. Blackwell, Oxford.  
39  
40

41  
42  
43 LIPIETZ, A. (1977) *Le Capital et son Espace*. Maspero, Paris.  
44  
45

46  
47  
48 LIPIETZ, A. (1980) Le tertiaire, arborescence de l'accumulation capitaliste: prolifération  
49  
50 et polarisation. *Critiques de l'Economie Politique*, July-September, 17-69.  
51  
52

1  
2  
3 LÖSCH, A. (1938) The nature of economic regions, *Southern Economic Journal*, **5**(1),  
4  
5 71-78  
6  
7

8  
9  
10 LOVERING, J. (2001) The Coming Regional Crisis (And How To Avoid It), *Regional*  
11  
12 *Studies*, **35**(4), 349-54.  
13

14  
15  
16  
17 MACKINNON, D., CUMBERS, A., and CHAPMAN, K. (2002) Learning, innovation  
18  
19 and regional development: a critical appraisal of recent debates, *Progress in Human*  
20  
21 *Geography* **26**(3), 293–311  
22  
23

24  
25  
26  
27 MARTINELLI, F. and MOULAERT, F. (1993) The Location of Advanced Producer  
28  
29 Services Firms: Theory and Illustrations. *Geographische Zeitschrift*, **81**(1-2), 1-17.  
30  
31

32  
33  
34 MARKUSEN A., (1983), Regions and Regionalism, in MOULAERT, F. and WILLSON  
35  
36 P. (Eds) *Regional Analysis and the New International Division of Labor*, Kluwer Nijhoff  
37  
38 Publishing, Boston.  
39  
40

41  
42  
43 MASSEY, D. (1984) *Spatial Divisions of Labour. Social structures and the geography of*  
44  
45 *production*, Macmillan, London.  
46  
47

48  
49  
50 M<sup>C</sup>GUIRK, P. (2004) State, strategy and scale in the competitive city: a neo-gramscian  
51  
52 analysis of the governance of 'global Sydney'. *Environment and Planning A*, **36**(6),  
53  
54 1019-1043.  
55  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6 MEARDON, S. J. (2001) Modelling Agglomeration and Dispersion in City and Country:  
7  
8 Gunnar Myrdal, François Perroux, and the New Economic Geography', *American*  
9  
10 *Journal of Economics and Sociology*, **60**(1), 25-57  
11

12  
13  
14  
15 MOULAERT, F. (1987) An Institutional Revisit of the Storper-Walker Theory of Labor.  
16  
17 *International Journal of Urban and Regional Research*, **11**(3), 309-330.  
18

19  
20  
21  
22 MOULAERT, F. (1996) Rediscovering spatial inequality in Europe. Building blocks  
23  
24 for an appropriate "regulationist" framework. *Society and Space*, **14**(2), 155-179  
25

26  
27  
28  
29  
30 MOULAERT, F. and CABARET, K. (2006) Planning, networks and power relations: Is  
31  
32 democratic planning under capitalism possible? *Planning Theory*, **5**(1), 51-70.  
33

34  
35  
36  
37 MOULAERT, F., MARTINELLI, F., GONZALEZ, S., and SWYNGEDOUW, E. (2007)  
38  
39 Social Innovation and Governance in European Cities: Urban development between path  
40  
41 dependency and radical innovation, *European Urban and Regional Studies*, **14**(3), 195-  
42  
43 209.  
44

45  
46  
47  
48 MOULAERT, F. and MEHMOOD, A. (2008) Analysing regional development: From  
49  
50 territorial innovation to path dependent geography, in Davis, J. and Dolfsma, W.  
51  
52 (Eds.) *The Elgar Companion to Social Economics*, Edward Elgar, Cheltenham  
53  
54  
55

1  
2  
3 MOULAERT, F. and NUSSBAUMER, J. (2005) The Social Region: Beyond the  
4 territorial dynamics of the learning economy, *Journal of European Urban and Regional*  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

MOULAERT, F. and NUSSBAUMER, J. (2005) The Social Region: Beyond the territorial dynamics of the learning economy, *Journal of European Urban and Regional Studies*, **12**(1), 45-64.

MOULAERT, F. and SEKIA, F. (2003) Territorial Innovation Models: a Critical Survey, *Regional Studies*, **37**(3), 289-302.

MOULAERT, F., SEKIA, F., and BOYABÉ, J.B. (1999) Innovative region, social region? An alternative view of regional innovation, IFRESI Discussion Paper, Lille

MOULAERT, F., SWYNGEDOUW, E. and WILSON, P. (1988) The Geography of Fordist and Post-Fordist Accumulation and Regulation, *Papers of the Regional Science Association*, **64**, 11-23.

MOULAERT, F. and SWYNGEDOUW, E. (1989) 'Survey 15: A regulation approach to the geography of flexible production systems', *Environment and Planning D: Society and Space*, **7**(3), 327-345.

MYRDAL G. (1957) *Economic Theory and Underdeveloped Regions*, Duckworth, London.

MULLINGS, B. (2005) Women Rule? Globalization and the feminization of managerial and professional workspaces in the Caribbean, *Gender, Place and Culture*, **12**(1), 1-27

1  
2  
3  
4  
5  
6 NOVY, A. and B. LEUBOLT (2005) Participatory Budgeting in Porto Alegre: Social  
7  
8 Innovation and the Dialectical Relationship of State and Civil Society. *Urban Studies*,  
9  
10 **42**(11), 2023-2036.

11  
12  
13  
14  
15 NUSSBAUMER, J. (2002) 'Le rôle de la culture et des institutions dans les débats sur le  
16  
17 développement local: la contribution de l'Ecole Historique Allemande' [The role of  
18  
19 culture and institutions in the debates on local development: the contribution of the  
20  
21 German Historical School], unpublished PhD thesis, Lille: University of Lille I, Faculty  
22  
23 of Social Science.  
24  
25  
26

27  
28  
29 PECK, J (1996) *Work Place. The Social Regulation of Labor Markets*, The Guilford  
30  
31 Press, New York/London.  
32  
33

34  
35  
36 PECK, J. and TICKELL, A. (1992) Local modes of social regulation? Regulation theory,  
37  
38 Thatcherism and uneven development. *Geoforum*, **23**(3), 347-364.  
39  
40

41  
42  
43 PERROUX, F. (1955) Note sur la notion de "pôle de croissance", *Economie Appliquée* 8.  
44  
45 Republished and translated in MCKEE, D. L., DEAN, R.D. and LEAHY, W.H. (Eds)  
46  
47 (1970) *Regional Economics*, pp. 93-103, The Free Press, New York.  
48  
49  
50

51  
52  
53 PERROUX, F. (1983) *A New Concept of Development: Basic Tenets*, Croom Helm,  
54  
55 London  
56  
57  
58  
59  
60

1  
2  
3  
4  
5  
6 PERROUX, F., (1988) 'The Pole of Development's New Place in a General Theory of  
7  
8 Economic Activity', in HIGGINS, B. and SAVOIE, D.J. (Eds) *Regional Economic*  
9  
10 *Development: Essays in Honour of François Perroux*, pp. 48-76, Unwin Hyman, Boston.  
11  
12

13  
14  
15 RACO, M. (2003) Governmentality, Subject-Building and the Discourses and Practices  
16  
17 of Development in the UK, *Transactions of the Institute of British Geographers*, **28**(1),  
18  
19 75-95.  
20  
21

22  
23  
24 ROSE, N. and MILLER, P. (1992) Political Power Beyond the State: Problematics of  
25  
26 Government, *British Journal of Sociology*, **43**(2), 173-205.  
27  
28

29  
30  
31 SAYER, A. (1992) *Method in Social Science: A Realist Approach*, Routledge, London.  
32  
33

34  
35  
36 SAXENIAN, A. (1994) *Regional Advantage. Culture and Competition in Silicon Valley*  
37  
38 *and Route 128*. Harvard University Press, Cambridge.  
39  
40

41  
42  
43 SCHMOLLER, F.G. (1884) Das Merkantilssystem in seiner historischen Bedeutung:  
44  
45 Städtische, territoriale und staatliche Wirtschafts-politik, *Jahrbuch für Gesetzgebung,*  
46  
47 *Verwaltung und Volkswirtschaft im Deutschen Reich*, VIII 15-61  
48  
49

50  
51  
52  
53 SCHMOLLER, F.G. (1905) *Principes d'Economie Politique*, V.Giard et E. Brière, Paris.  
54  
55  
56  
57  
58  
59  
60



1  
2  
3 SMART, B. (1986) The Politics of Truth and the Problem of Hegemony, in HOY, D.C.  
4  
5 (Ed.) *Foucault: A Critical Reader*, pp. 157-73, Basil Blackwell, Oxford.  
6  
7

8  
9  
10 STORPER, M. and SCOTT, A.J. (1988) The Geographical Foundations and Social  
11  
12 Regulation of Flexible Production Complexes, in WOLCH, J. and DEAR, M. (Eds) *The*  
13  
14 *Power of Geography*. pp. 21-40, Allen and Unwin, London.  
15  
16

17  
18  
19 STORPER, M. and WALKER, R. (1983) The theory of labor and the theory of location.  
20  
21  
22 *International Journal of Urban and Regional Research* 7(1), 1-44.  
23  
24

25  
26  
27 SUM, N-L. (2002) Globalization and Hong Kong as an Entrepreneurial City Strategies:  
28  
29 Contested Visions and the Remaking of City Governance in (Post-) Crisis Hong Kong, in  
30  
31 LOGAN, J. (Ed.) *The New Chinese City: Globalization and Market Reform*, pp. 74-91,  
32  
33 Blackwell, Oxford.  
34  
35

36  
37  
38 SUM, N-L. (2005) *From the Regulationist Approach to Cultural Political Economy*.  
39  
40 DEMOLOGOS working paper, [on website: <http://demologos.ncl.ac.uk/wp/wp1/disc.php>  
41  
42  
43 December 2005].  
44  
45

46  
47  
48 SUM, N-L. (2006) *Culture, Discourse, Ideology, and Hegemony*, DEMOLOGOS  
49  
50 working paper, [on website: <http://demologos.ncl.ac.uk/wp/wp2/disc.php> August 2006]  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 SUM, N-L. and Jessop, B. (2007) *Towards a Cultural Political Economy*, Edward Elgar,  
4  
5 Cheltenham.  
6  
7

8  
9  
10 SWYNGEDOUW, E. (1997) La Reconstruction de la Choreographie Espace / Temps de  
11  
12 la Monnaie Mondiale. *Espaces et Sociétés*, **88-89**, 53-90  
13  
14

15  
16  
17 SWYNGEDOUW, E. (2005) Governance Innovation and the Citizen: The Janus Face of  
18  
19 Governance-beyond-the-State. *Urban Studies*, **42**(11), 1991-2006.  
20  
21

22  
23  
24 TÖDTLING, F. and TRIPPL, M. (2005) One size fits all? Towards a differentiated  
25  
26 regional innovation policy approach. *Research Policy*, **34**, 1203-1219.  
27  
28

29  
30  
31 VILLEVAL, M.C. (1995) Une théorie économique des institutions? in BOYER, R. and  
32  
33 SAILLARD, Y. (Eds) *L'Ecole de la Régulation. L'Etat des Savoirs*. pp. 479-489, Presses  
34  
35 Universitaires de France, Paris.  
36  
37

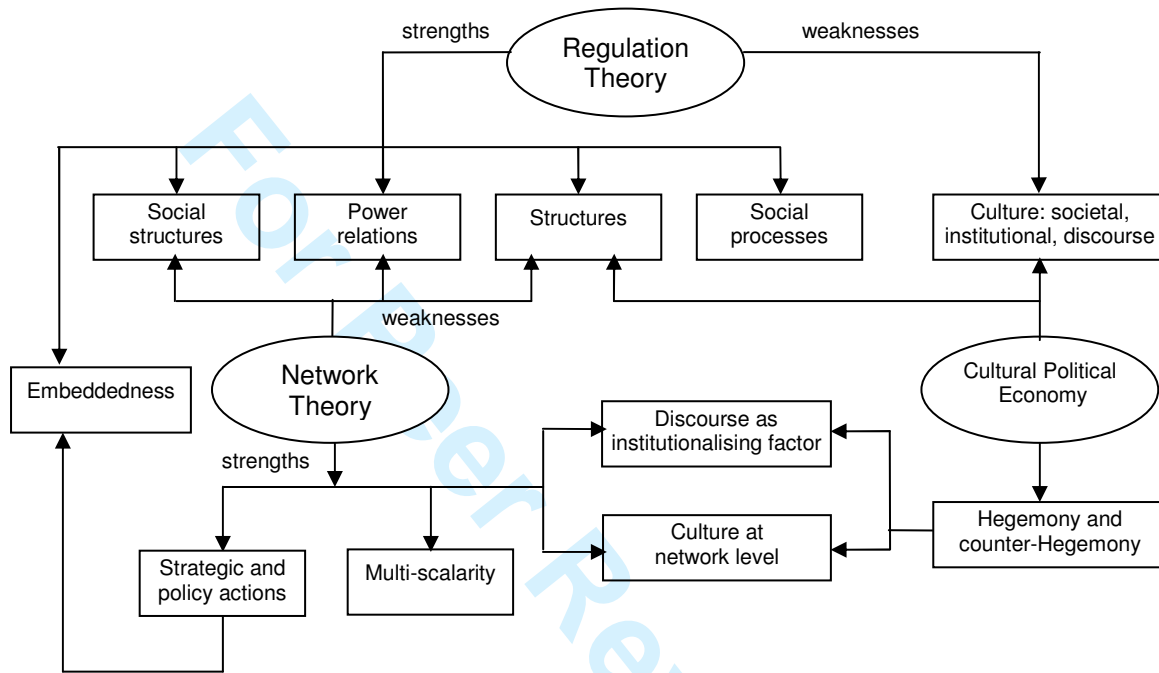
38  
39  
40 WILLIAMS, A.M., BALAZ, V., and WALLACE, C. (2004) International Labour  
41  
42 Mobility and Uneven Regional Development in Europe: Human Capital, Knowledge and  
43  
44 Entrepreneurship, *European Urban and Regional Studies*, **11**(1), 27-46  
45  
46  
47

48  
49  
50 YEUNG, H. Wai-Chung (2005) Rethinking Relational Economic Geography,  
51  
52 *Transactions of the Institute British Geographers*, **30**(1), 37-51  
53  
54  
55

**Table 1 Views of innovation in territorial innovation models**

| Model                                   | Milieu innovateur (Innovative milieu) (MI)   | Industrial District (ID)   | Regional Innovation Systems (RIS)   | New Industrial Spaces   |
|---|--|--|---|---|
| Features of innovation                  |  |  |   |   |
| Core of innovation dynamics             | Capacity of a firm to innovate through the relationships with other agents of the same milieu  | Capacity of actors to implement innovation in a system of common values  | Innovation as an interactive, cumulative and specific process of research and development (path dependency).  | A result of R&D and its implementation; application of new production methods (JIT, etc.)                       |
| Role of institutions                    | Very important role of institutions in the research process (university, firms, public agencies, etc.)   | Institutions are "agents" and enabling social regulation, fostering innovation and development   | As in the NIS, the definitions vary according to authors. But they all agree that the institutions lead to a regulation of behaviour, both inside and outside organisations | Social regulation for the co-ordination of inter-firm transactions and the dynamics of entrepreneurial activity |
| Regional development                    | Territorial view based on " <i>milieux innovateurs</i> " and on agent's capacity of innovating in a co-operative atmosphere                            | Territorial view based on spatial solidarity and flexibility of districts. This flexibility is an element of this innovation   | View of the region as a system of "learning by interacting/ and by steering regulation "  | Interaction between social regulation and agglomerated production systems                                       |
| Culture                                 | Culture of trust and reciprocity links   | Sharing values among ID agents - Trust and reciprocity   | The source of "learning by interacting"   | Culture of networking and social interaction  |
| Types of relations among agents         | The role of the support space: strategic relations between the firm, its partners, suppliers and clients   | The network is a social regulation mode and a source of discipline. It enables a coexistence of both co-operation and competition  | The network is an organisational mode of "interactive learning"   | Inter-firm transactions   |
| Types of relations with the environment | Capacity of agents in modifying their behaviour according to the changes in their environment. Very 'rich' relations: third dimension of support space | The relationships with the environment impose some constraints and new ideas. Must be able to react to changes in the environment. 'Rich' relations. Limited spatial view of environment | Balance between inside specific relations and environment constraints. 'Rich' relations   | The dynamics of community formation and social reproduction   |

Figure 1 A meta-theoretical synthesis for regional development analysis: Regulation, Network and CPE approaches



## Endnotes

<sup>i</sup> This paper does deal with regional development, not regional growth theories. Although there exist affinities between both analytical traditions, we have no space to deal with both and we prefer to address the more ‘quality features’ oriented development theories. As a consequence we will for example not present the debate on/between New Economic Geography and regional endogenous growth models (see e.g. FUJITA, KRUGMAN and VENABLES, 1999).

<sup>ii</sup> Andrew Sayer has summarised the realist scientific-philosophical approach as having the following features: (a) the world exists independently of our knowledge of it; (b) our knowledge of the world is pre-informed but also imperfect; (c) “Knowledge develops neither wholly continuously, as the steady accumulation of facts within a stable conceptual framework, nor wholly discontinuously, through simultaneous and universal changes in concepts.” (p. 5) (d) objects (natural or social) have particular causal powers or ways of acting and particular susceptibilities; (e) “The world is differentiated and stratified, consisting not only of events, but objects, including structures, which have powers and liabilities capable of generating events.” [...] (f) “Social phenomena such as actions, texts and institutions are concept dependent” (p. 6) [...] (g) “Science or the production of any other kind of knowledge is a social practice. For better or worse (not just worse) the conditions and social relations of the production of knowledge influence its content. Knowledge is also largely – though not exclusively – linguistic, and the nature of language and the way we communicate are not incidental to what is known as communicated. Awareness of these relationships is vital in evaluating knowledge.”; (h) “Social science must be critical of its object” [...] (p. 6)

<sup>iii</sup> Contemporary debates on New Regionalism take different directions, especially following criticisms of the neglect of articulation among spatial scales and their consequences for economic policy. We have reserved the term ‘New Regionalism’ for the original spatially disarticulated models, preferring to refer to the spatially articulated models as ‘Beyond New Regionalism’. – see section 4.1. Neither do we address the political science literature on New Regionalism (see e.g. KEATING, 1998). Although we believe that Markusen’s Regionalism concept (section 3.3.2) could play a significant role there.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

---

<sup>iv</sup> This section has been reproduced and extended from Moulaert and Nussbaumer (2005). Copyright granted by SAGE Publications.

<sup>v</sup> For details see Moulaert, Sekia and Boyabé (1999).

<sup>vi</sup> For more details see Moulaert, Sekia and Boyabé, op. Cit. See also MacKinnon, Cumbers and Chapman (2002) who among other critical observations point out how the learning region model underemphasises the articulation among spatial scales in learning dynamics.

<sup>vii</sup> The GHS also played a significant role in the genesis of location theory; this is not developed here. See Nussbaumer (2002).

<sup>viii</sup> We should also keep in mind that the theory of stages of economic growth also had an influence on Lösch's theory of system of regions (LÖSCH 1938).

<sup>ix</sup> See also Williams et al. (2004) on the relationship between migration flows and uneven development in contemporary Europe.

<sup>x</sup> We selected these two authors because their focus is regional compared to other authors from the 1970s working in radical political geography *and* their analysis fits best the trajectory leading to the structural-realist synthesis in regional development analysis, which we pursue. If we had to further extend this methodological exercise we would certainly make use of Dunford (1988) and Harvey (1982)