

A review on new tools of regional development – what are they and why studying them matters?

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The subject of the NGP Yearbook at hand offered me a chance to stop and think about a bunch of questions that have been haunting me along the way of my PhD process: what exactly am I doing again and why; what is the purpose of my work in general; what is the contribution of my work to both academic and policy discussion; and altogether, why is the work worth doing at all? The answer to the question why is my work important is not always so clear to me. Therefore, my aim in this short reflection is to clarify my work-in-progress and think about the big picture of my dissertation. And to actually boost my motivation towards the whole work in general.

The basic aim in my dissertation is to study new tools of regional development – i.e. networks and zones – in the context of northern periphery. Why did I come up with this topic was a sum of different happenstances. The topic of my Master's thesis dealt with the network-like development tools of regional innova-

tion environments. At the same time, I worked at a project in which we studied regional development zones in Finland. Along the way, it started to open up to me that these two topics are not exactly very far from each other. In fact, they can even be seen as parts of a one single story.

However, the question of how regional development networks and regional development zones fit into the big picture of my work is still far from being thought through. My overall purpose is to examine the network and zone paradigms in the context of regional development: how are they used in Finnish regional development; how they relate to the objectives of the European Union's regional policy; and what is their relation and contribution to the development of peripheral regions? By studying different networks and zones in the development of Northern Finland, I also try to detect the key challenges and potential related to these tools in practice.

Essential research questions at this point of my work are: how are the new tools of regional development – i.e. networks and zones – defined in the context of Finnish regional development policy, and how do they relate to the regional policy of the European Union; how can networks and zones contribute to the development of peripheral regions; how can periphery be characterized in the context of networks and zones of regional development; and what are the central challenges and potentials related to the implementation of regional development networks and zones to the development of northern peripheral regions?

Networks and zones of regional development – what exactly am I studying again?

So what exactly are these networks and zones that I am studying? Firstly, I need a constant reminder that I am dealing with these tools only in the context of regional development. Networks have received an enormous amount of attention in academic literature and there are numerous different angles attached to them. While searching new readings from academic journals, it is way

too easy to get lost in the jungle of articles written of networks from whatever perspectives. However, also the context of regional development is a vast and blurry category, dealing with questions linked to spatial planning, public administration and governance, just to name a few. It seems I have to find my way forward in this all-embracing and seemingly limitless category.

In any case, regional development networks and zones are the key concepts of my study. In my research they represent the new tools of regional development as they intertwine the two key concepts of the European Union's regional policy – competitiveness and cohesion – under a single framework. Competitiveness in this context is pursued through the effective use and allocation of the limited resources in innovation and key development sectors. Instead, the objective of cohesive development implies to the aim of polycentrism in the development of a more balanced European Union. The concentration of resources to certain zones and networks instead of spreading them equally to all regions in need is seen as a simultaneous response to both competitive and cohesive development. Traditionally these two

development paths have been seen in a contradictory manner.

Competitiveness and cohesion also form the backbone of the current Finnish regional policy, and consequently networks and zones are defined as key tools in the development of a balanced and competitive national regional structure (Ministry

of the Environment 2006). In brief, 'polycentric regional structure' is the objective which unites the policy objectives of competitiveness and cohesion and is realized through different kinds of networks and zones of regional development (Figure 1).

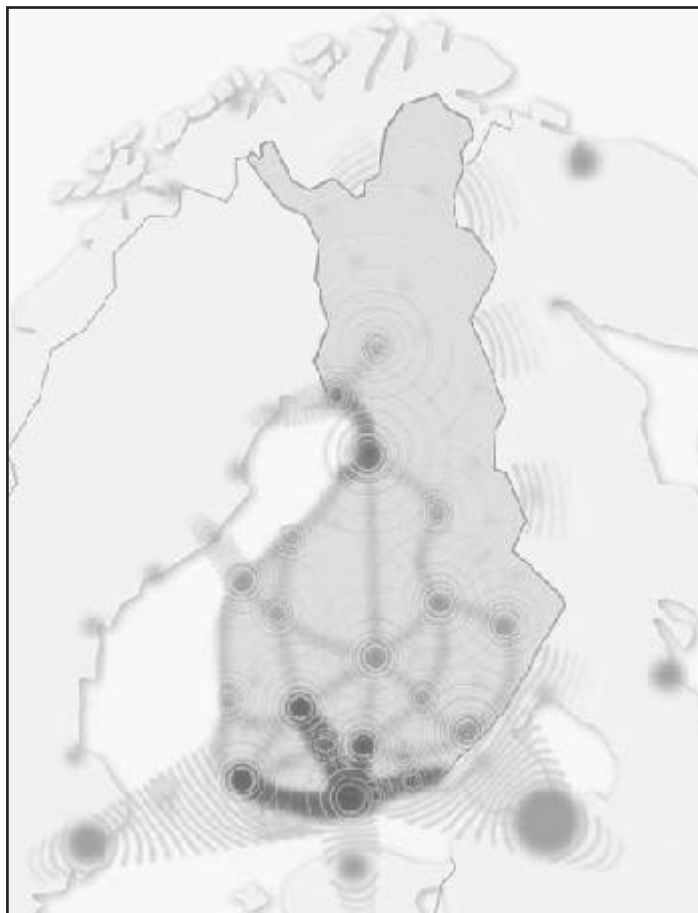


Figure 1. Polycentric regional structure in Finland is realized in practice through networks and zones of regional development (Ministry of the Environment 2006, 25).

The basic idea in networks and zones is the effective use and allocation of resources to a certain region or theme of development instead of spreading them equally to all regions in need. Meijers, Waterhout and Zonneveld (2007) divide the policies aiming at polycentrism and cohesion in two categories. On one hand, polarization caused by unfavourable urban hierarchy is dealt with network-like development policies, where resources are clearly allocated to centres of different sizes. The growth of the centres is then seen to benefit also the peripheral regions around the growth pools. On the other hand, problems caused by unfavourable location and peripherality are handled with zonal policies. This means that resources are directed both to the centres and to the zone between them. Zonal policies can thus also be used to direct growth from centres to more peripheral intermediate regions (see Jauhiainen & al. 2007). These two categories of networked and zonal policies are not mutually exclusive. More likely, they can be executed side by side in the development of a more balanced and competitive regional structure.

There are also differences in networks and zones as regards the nature of cooperation. In regional development networks, actors cooperate with partners who have appropriate resources needed in cooperation. Accordingly, networks have no spatial obstacles for cooperation, even though the geographical proximity may be beneficial. In contrast, in regional development zones, geography forms the framework for cooperation. In zones, the actors commit to the development of a mutually accepted territory where actors also share common development challenges (Jauhiainen & al. 2007).

And for what reason?

Perhaps the most important question for me at this point of my research is to think about the question why is my research topic relevant again? And what is the wider contribution of my work to both academic and policy discussions related to regional development? As a whole, networks are a topic widely studied in academic literature. However, the paradigms of regional development networks and zones are not so much studied together in a comprehensive, or

comparative, manner. Studies made so far have dealt mostly with case studies of networks linked to successful growth regions or regions experiencing structural changes (e.g. Morgan & al. 2000; Sternberg 2000; Heeg & al. 2003; Albrechts & Lievois 2004).

Hence, the academic value of my work has at least partly to do with the conceptual examination of regional development networks and zones. In addition, the context of peripherality adds its own contribution, since my aim is to study networks and zones especially in the context of peripheral Northern Finland. Peripheral regions have not been in the focus of academic research apart from the studies made about the physical features of peripherality (e.g. Spiekermann & Neubauer 2002; Spiekermann & Aalbu 2004; Gloersen & al. 2005). The interest towards peripherality in the context of innovation and regional development has, however, recently increased (e.g. Copus & Skuras 2006; Jauhiainen 2006; Ala-Rämi 2007; Doloreux & Dionne 2008; Jauhiainen & Suorsa 2008).

Peripheral regions are often characterized with an insufficient innovation environment, which significantly

raises the importance of networks and zones in their development. While innovation policies are focusing increasingly in few growth centres with the critical mass needed in innovation, peripheral regions have no other option but to network with other regions (e.g. Copus 2001) and specialize into a narrow branch of industry (Oinas & Malecki 2002). Regional development networks and zones are key tools in organizing cooperation and fundamental division of labour between regions.

In total, the long-existing divide between centre and periphery defining regional development is being replaced with the concept of polycentrism, which highlights the potentials of small and medium sized cities outside Europe's economic core (Meijers & al. 2007, 18). Instead of distributing resources to peripheral regions alone, both centres and peripheries are developed endogenously from regions' own strengths and special characteristics (Key objectives 2007). Peripherality itself, and peripheral regions are characterized with such unique features that need to be recognized in order to create tailored policies to meet the needs of peripheral regions (Copus 2001, 549; Terlouw 2001, 83). I think that this is

the reason what makes my study of networks and zones relevant within the context of peripheral North.

Discussion – potentials for the North?

As it can be seen from the map of the Ministry of the Environment (Figure 1), almost all Northern Finland is covered with white when it comes to nationally important regional development tools. The networks and zones of regional development are situated mostly to the southern parts of Finland. In the North, the growth of Oulu, Rovaniemi and Kemi-Tornio regions is seen to benefit the rest of the peripheral Northern Finland. Maybe the most important task of my dissertation is to address this issue and actually think about the potentials of the new tools of regional development in the context of Northern Finland – considering that the growth of these few centres in the North is spread to more peripheral parts, particularly via regional development networks and zones. Since the future of the most of the Northern Finland is increasingly in the hands of few regional centres, the tools that actually spread the prerequisites for welfare are, at

least to my understanding, very much worth studying.

From the national perspective, Northern Finland often appears as peripheral as regards innovation resources. The resources are increasingly allocated to few centres in Southern Finland. However, taking into consideration for example the growth of the Barents region, the northern parts of Finland may also significantly increase their national and international significance in the future. This is indeed an issue that cannot be left without serious consideration. In fact, peripherality in the context of regional and innovation policies is always a very relative concept. From the perspective of the North, peripheral location does not necessarily mean peripherality as regards innovation. Although Northern Finland is often seen to be peripheral in location from the perspective of the European core regions, there is still potential when it comes to innovation and technology (e.g. Jauhiainen & al. 2004). This potential needs to be realized especially through the new tools of regional development.

The regional development networks and zones in Northern Finland, like for example the Multipolis

network, Bothnian Arc and Oulu-Kajaani regional development zone, are the key tools in creating a competitive and cohesive regional structure in the North. There are a lot of expectations in their implementation. They also hold a lot of potential in their structures, which now have to be realized through active cooperation. However, it seems that some of these models suffer from the lack of enthusiasm and engagement (e.g. Jauhiainen & al. 2004; 2007). There are also problems in network governance. In the future, the academic research of these policy models is essential in renewing both theoretical understanding and policies to meet the needs of the peripheral North.

The problems and challenges of the network-like tools of regional development partly arise from the fact that cooperation is often pursued via top-down policies with no sufficient linkage to local challenges and needs (Pike & al. 2006). Often the models also try to give answers to too many challenges. To be more than just lines in the map that please the eye, the new regional development tools should arise bottom-up from the actual needs of local and regional actors. The actors from the local level need to see the value-add-

ed in the cooperation. However, the short-term value-added highlighted by local actors does not usually serve the needs of the strategic regional development, where the added value may even be decades away. The question then is how to bring together the strategic long-term visions of regional development authorities and the concerns of local actors engaged with present short-term problems. The answers of the model of multi-level governance seem only part of the solution.

In conclusion, the role of northern peripheral regions is in fact quite unclear in the big picture of Finnish regional policy: are the regions in the North increasingly seen as a white area in the map from the national perspective; to what extent they still belong to the sphere of national regional policy; and under which policy instruments are these regions developed in the future? If the few strongest centres of Finnish regional structure increasingly form the structure of diverse policy maps in the future, where does this leave the peripheral regions of the North? A much more active discussion is needed about the future of the Finnish regional structure. The key question is, whether the regional

policy is structured around the key words of competition and efficiency, or around cohesion and welfare. Or is it indeed possible to create one, all-embracing programme as assumed in the policy renewals of the new Ministry of Employment and the Economy. Either way, the direction which the discussions about national policies will take very much affects the future of the northern peripheral regions. It is essential to take part in these discussions.

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