

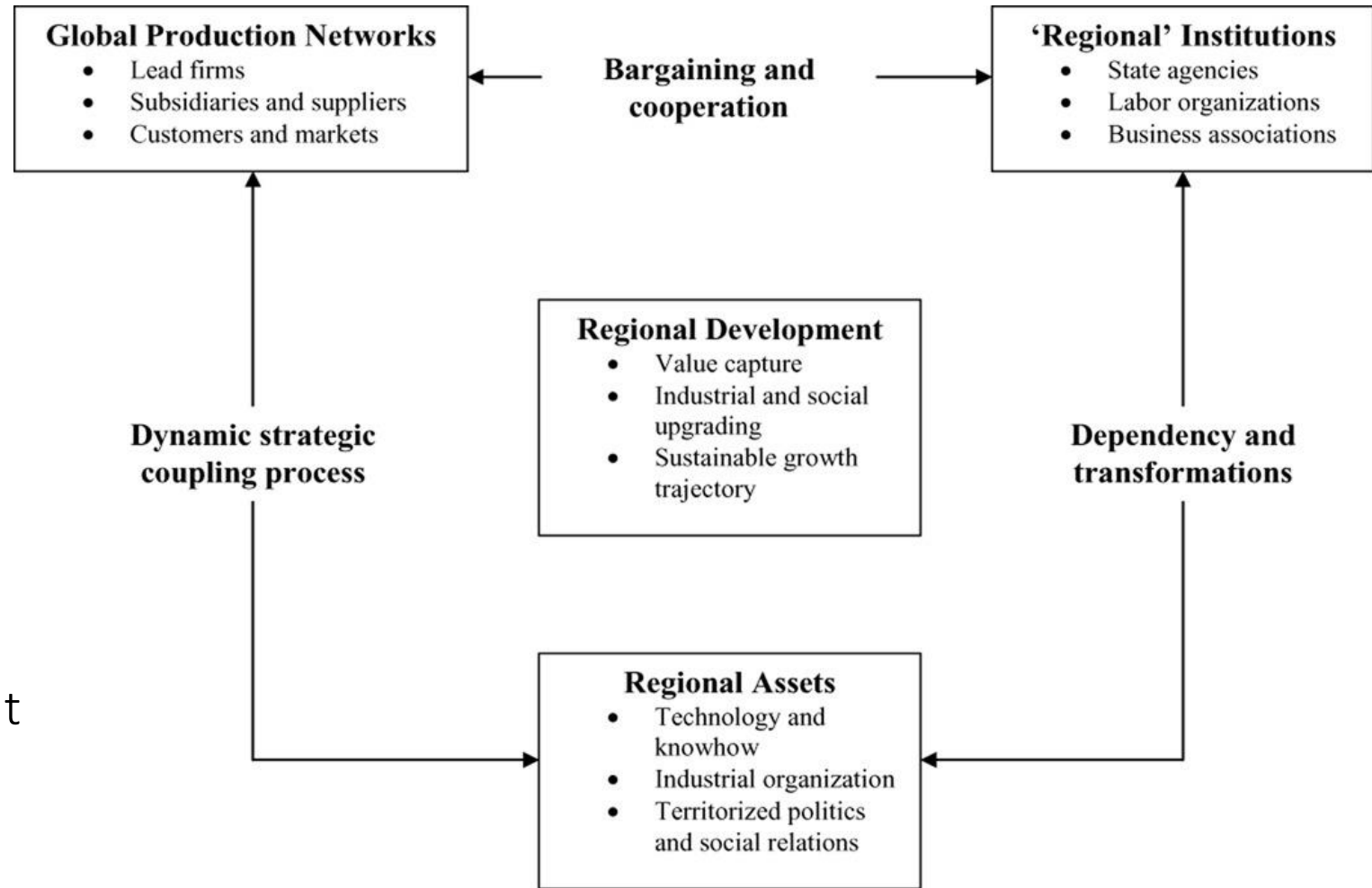
# Essay lenght

- Approximately 800-1200 would be good for the two thematic question in total.

## The philosophy of this course

We cannot talk about local/regional development without understanding global changes

We cannot talk about economic development at national level without understanding what's going on in our localities and regions



# The concepts of region and place



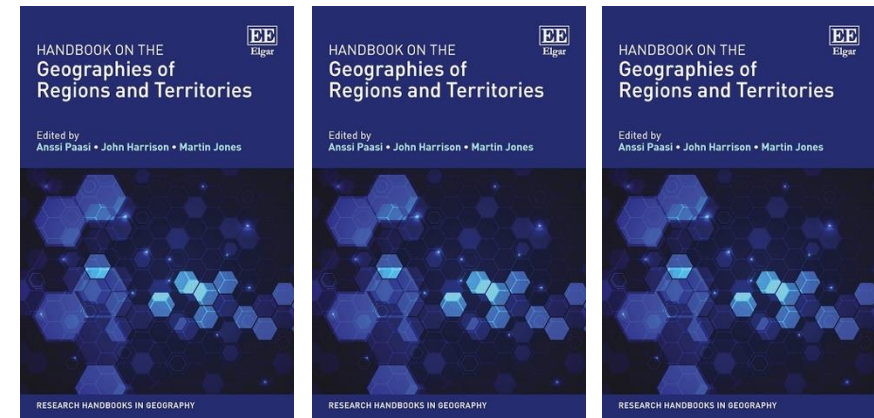
“Explaining the growth and change of regions and cities is one of the great challenges for social science.

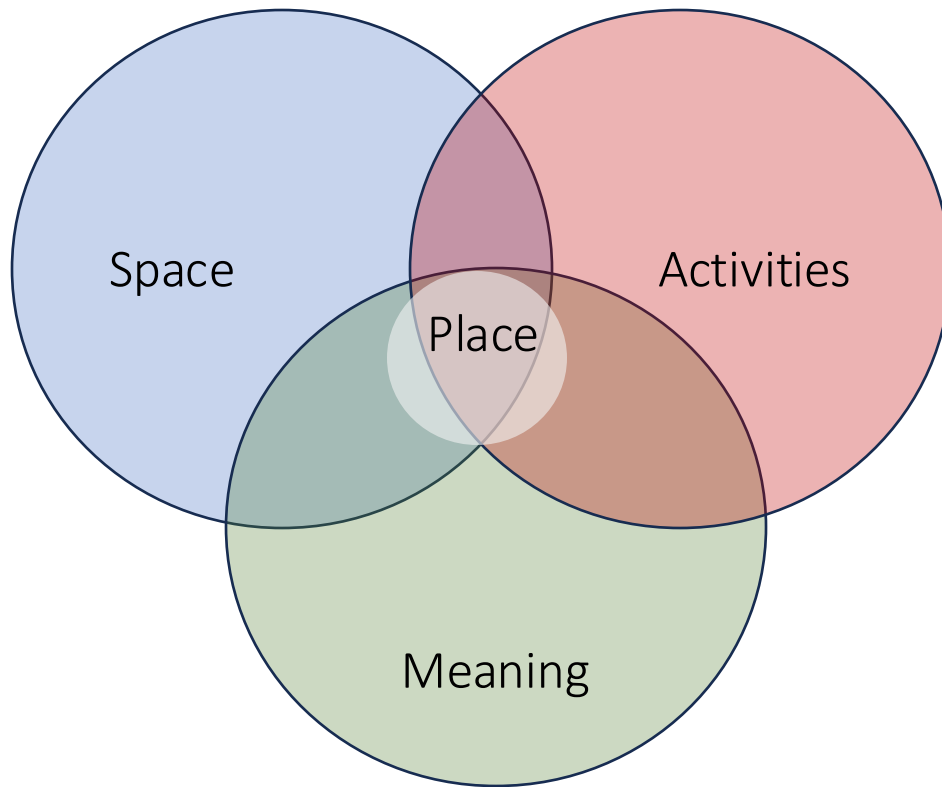
Cities or regions, like any other geographical scale of the economic system, have complex economic development processes that are shaped by an almost infinite range of forces.”

(Storper 2011, 333)

# What is a region?

- Region is homogeneous in terms of some specific criteria
  - Functional, administrative, cultural, social, symbolic
- It can be distinguished from bordering areas by a particular kind of association of related features
- In research, region is an analytical concept – a focusing device
- 'A region' does not have a determinate size
- The borders of regions are not fixed once and for all; they can change

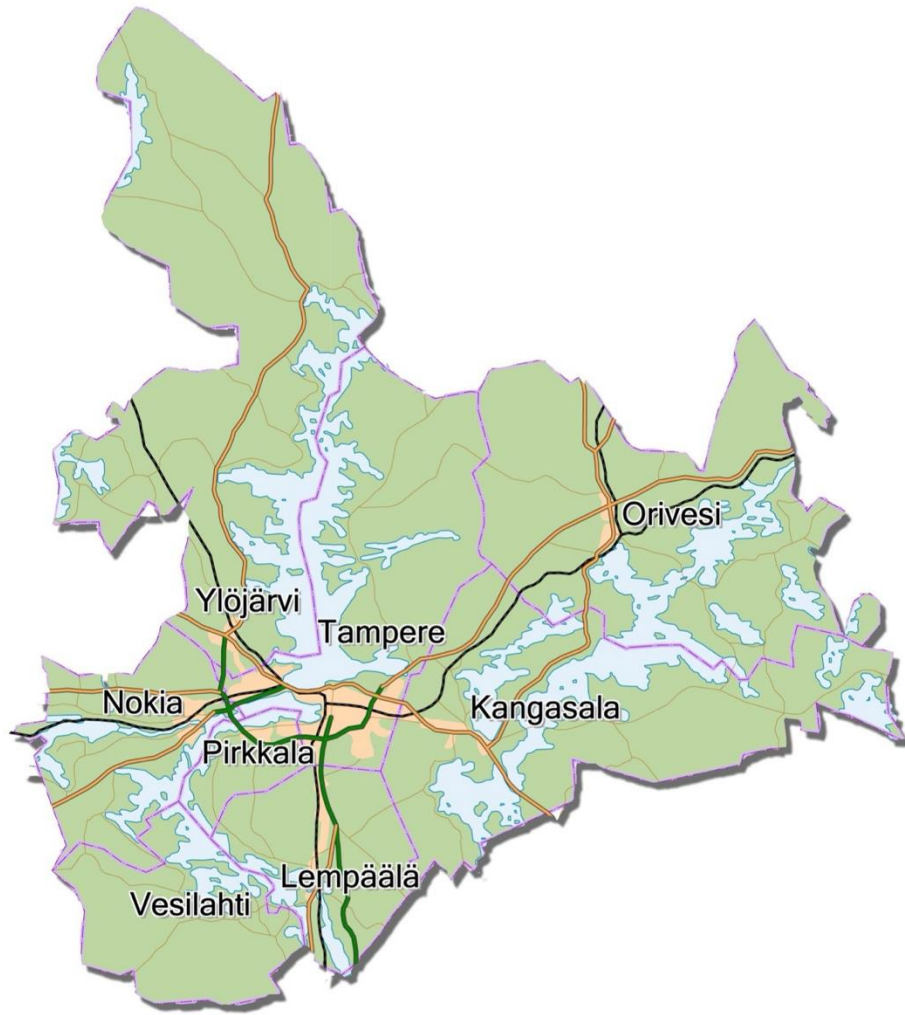




## Three basic senses of **place**

- **location**, which is the fixed geographical coordinates of a precise physical location
- **locale**, which is the idea of place considered as the material setting for social relations
- **the sense of place**, which is the subjective emotional attachment people have to places they inhabit

(Collinge and Gibney, 2011; Cresswell, 2004).



(Source: [http://www.tampereenseutu.fi/in\\_english/](http://www.tampereenseutu.fi/in_english/))

- In Finland, city is an urban unit within administrative borders (a municipality)
  - For me, city is a functional concept (like a city-region)
- The concept of city-region links a core city by functional ties to its hinterland
  - A combination of economic, housing market, travel-to-work, marketing, or retail catchment factors
  - Depending on the governance system, a city-region may or may not have a shared administrative body
  - 'City-region' is not a homogenous entity, or concept, with clear boundaries

## Tampere region (Pirkanmaa)

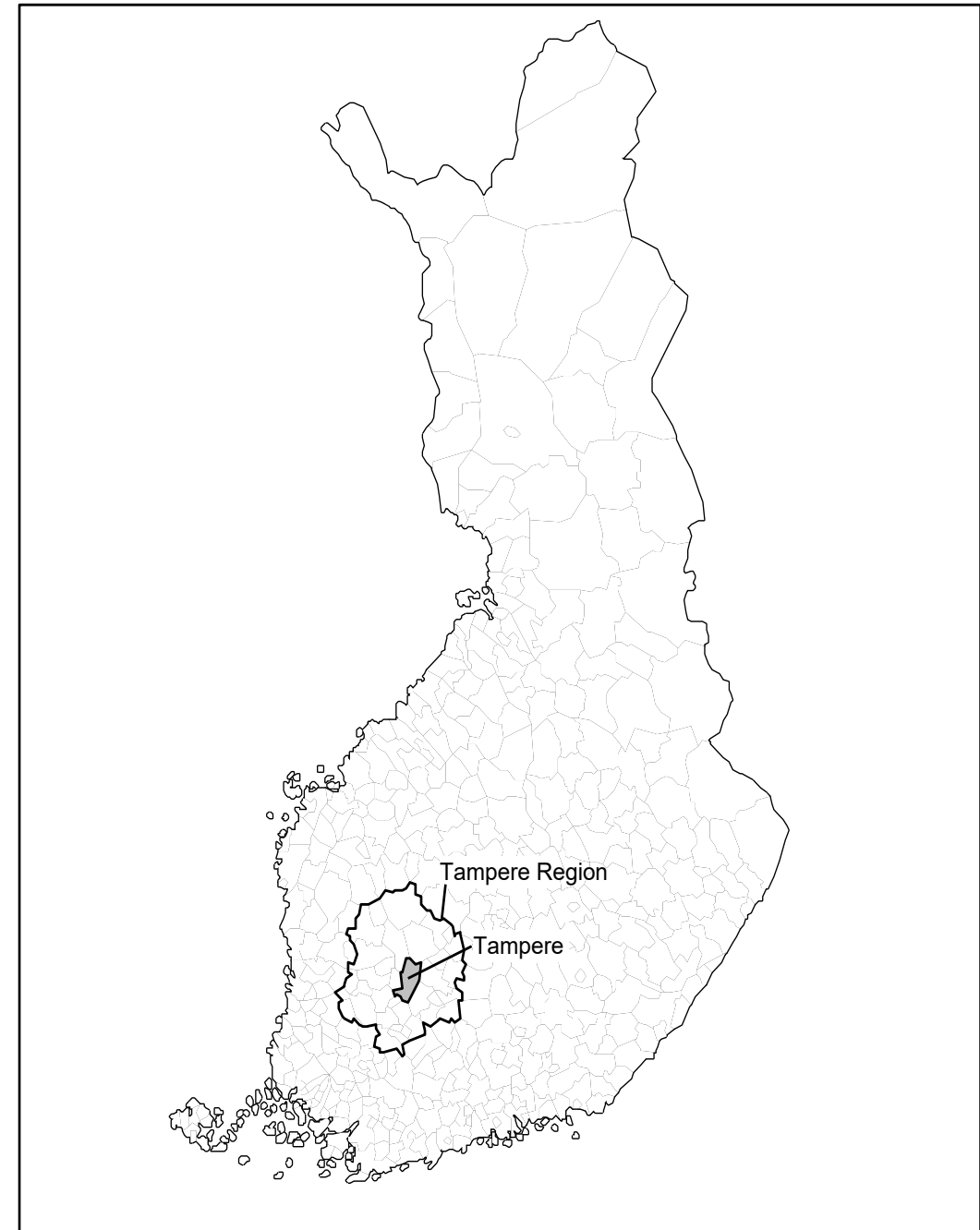
- Population appr. 545,400 and growing

## Tampere city-region

- Population appr. 420.000 and growing
  - The 2nd largest regional centre
- Tampere, Nokia, Ylöjärvi, Kangasala, Orivesi, Lempäälä, Pirkkala and Vesilahti

## City of Tampere

- Population appr. 250.000







## Local and regional development

# Change

- The system under scrutiny is different on  $T^1$  from what it was on  $T^0$

## Progress / development

- Forward or onward movement towards something
- Development towards an improved or more advanced condition
  - Events in time are dependent on each other
  - Direction of changes can be identified
  - It is possible to assess whether change was 'good' or 'bad'
- Vis-à-vis **values, intentions and objectives**



What we know now

What we know that  
we do not know

What we do not know  
that we do not know



# Local/regional development

- Regional development is a broad term covering a variety of issues, contents and governance processes.
- Addresses issues related to differences in economic, social and ecological development trajectories of regions
- It includes an ambition to identify ways to reduce regional disparities by various policies and specific interventions.

“local and regional development is a highly uneven process, producing diverse economic, social and environmental outcomes as localities and regions wrestle with processes of growth, decline and adaptation.”

(Pike et al. 2017)

Ultimately, regional development is about activities creating new resources and capabilities, and/or seeking them from elsewhere and thus paving the way for local and regional actors to work for their own futures by creating fruitful local/regional conditions.

# Local and regional development

- The purpose of local development is to **build the capacity** of a defined area to improve its economic future and the quality of life for inhabitants (OECD)
- A set of policies and actions designed to **improve the performance** of a spatially defined economy for the benefit of all residents (Institute of Economic Development, UK)
- The purpose of local economic development (LED) is to **build up the economic capacity of a local area** to improve its economic future and the quality of life for all (World Bank)



## Local/regional development efforts may be:

- **Adaptive** aim being to make a region better suited to changes in the operational environment
- **Strategically adaptive** in which adaptation both to a changing environment and the strategic choices of local actors play a significant role – adaptation with a strong purpose
- **‘World changing’** refers to processes that introduce new products, services, etc. first in the world
- At its best local/regional development is about constructing **conditions** for something new to emerge
- Context is important
  - the circumstances that form the setting for development in a specific place

- Local and regional development is often articulated as local and regional **economic** development
- A general level consensus
  - Regional development is about set of activities targeted at advancing the economic well-being of a place in question (Beer & Clower 2018)
  - Measured by growth, employment, household incomes, wealth creation, etc.
  - Regional development measures usually aligned with those used at national and transnational levels.
- Growing criticism towards overemphasis on economic issues and growth being the main concern
- Economic concerns tend to overshadow health, quality of life and well-being related issues.
- Importantly, the rapidly expanding worry over climate change is pushing both regional development scholars and practitioners to re-evaluate regional development definitions and future aspirations.



# But

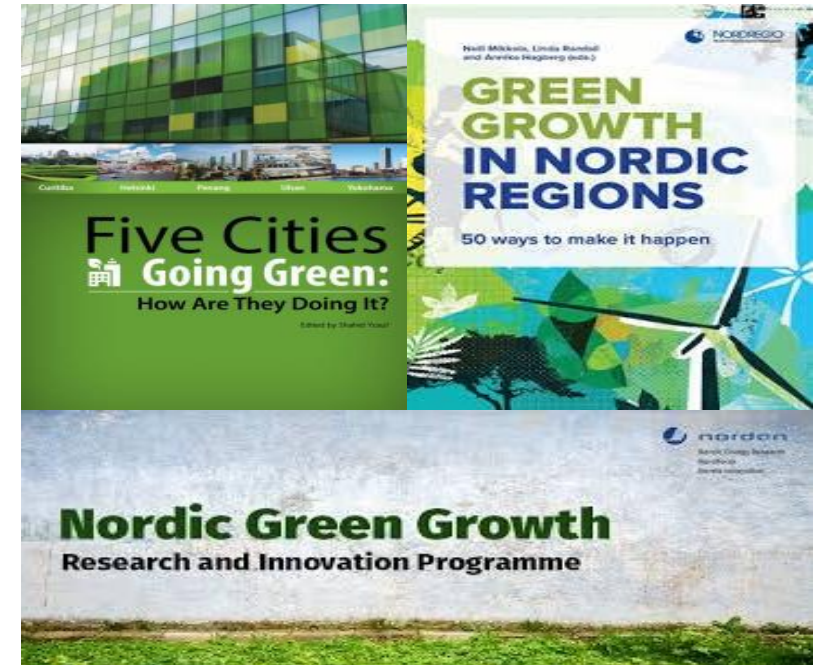
**Economic** development of cities and regions city is crucial for four major reasons

- Economic development empowers a community to shape its future
  - It provides greater choice with respect to pathways for future development
- The processes of economic globalization have made localities more, not less, important
  - Cities and regions as nodes and hubs in global networks
- The conditions needed to foster economic development have become more complex than earlier
- Cities and regions that do not develop economically are likely to be confronted by adverse outcomes – including their potential demise

# Green growth

Green growth is a term to describe a path of economic growth that uses natural resources in a sustainable manner

It provides an alternative concept to typical industrial economic growth



## SPATIALLY-BLIND POLICIES

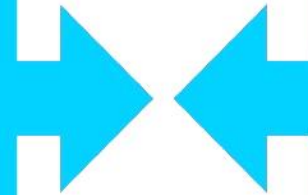
Leading advocate: World Bank 2009

- National focus
- Unfettered markets
- Labour mobility
- Large cities
- Resources are concentrated to drive technological innovation
- Dispersion of policies and expenditures seen as a risk for growth

## PLACE-BASED POLICIES

Leading advocate: OECD

- City and region focus
- Strategic support for places
- Labour embeddedness
- Dispersed growth
- Resources focussed on growth for all
- Inequality seen as a risk for growth



Do cities and regions compete?





## Competitiveness of cities/regions

“...competitiveness [of a country]  
depends on the capacity of its  
industries to innovate and upgrade”

(Michael Porter)

# Competitive advantage

- The resources and competencies are...
  - valuable in enabling actors to exploit opportunities and neutralize threats
  - rare among the present or potential competitors
  - costly to imitate
  - without close strategic substitutes

## Soft factors

- Networks, human skills, etc.

## Hard factors

- Roads, airports, telecommunication infra, etc.

# Case Tampere - History

- Founded in 1779 – as a free city (a special economic zone)
  - Slow start but foreign capital and entrepreneurs made the difference
- The charter granted several special privileges (Gustaf III)
  - Mostly lowered taxation but also liberation from guild regulations
  - Not much small enterprises but growth by big industry (late 19<sup>th</sup> century)
- Russia occupied Finland in 1809
  - Finland became a Grand Duchy of Russia with the Swedish legislation and other institutions
  - Alexander I reinforced the privileges of the city of Tampere (freedom of enterprise)





# Trivia

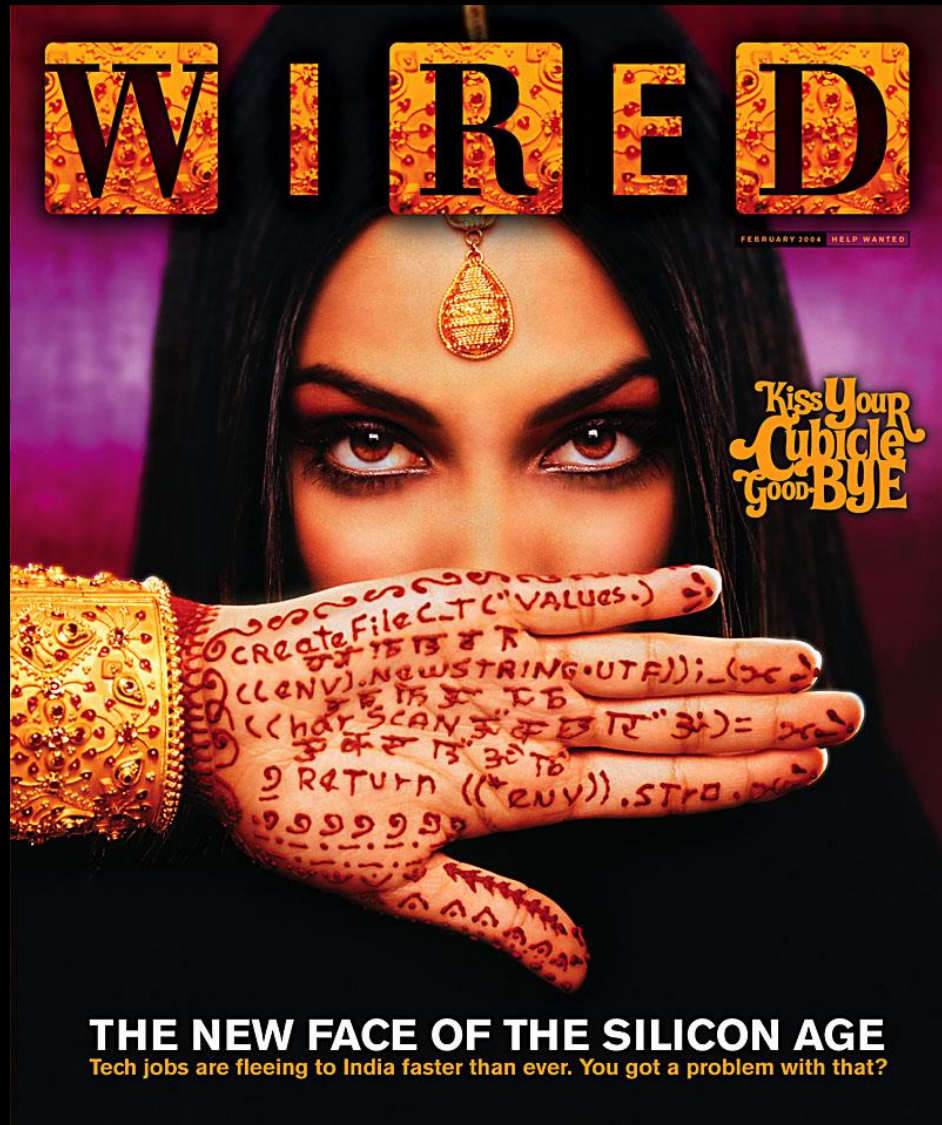
- Tampere and Finlayson among the first to have electric light in Europe (1882)
  - Carl Nottbeck - the son of the factory owner - worked as an engineer in Edison's laboratories in New York.
- Lenin and Stalin met for the first time at the Russian Social Democratic Labour Party's conference in Tampere worker's hall
- The textile industry emerged as part of an international cotton empire, led from Liverpool.



# Main industries in Tampere

- Technology (appr. 8,4 mrd)
  - Sandvik Mining, Nokia Solutions and Networks, Valmet Technologies, Garcotech Finland (also software and imaging)
- Wholesale (appr. 6,6 mrd.)
  - Tamro, Santen, F9 Distribution, etc.
- Business Services (appr. 4,1 mrd)
  - Pohjola Insurance, Adecco Finland, Ramboll Finland, etc.
- Forest-based (appr. 3 mrd)
  - UPM, Metsä Tissue, Metsä Board, etc.
- Chemicals, rubber, plastics (appr. 2,1 mrd)
  - Nokian Tyres, Molok, Kiilto, etc.
- Experience economy (appr. 2,0 mrd.)
  - Amusement Park, YLE Mediapolis, Nokia Arena, theatres, Tampere Hall, etc.





2004



# 'A Flowing World'

## FLOWS IN FLESH

EXPERTS



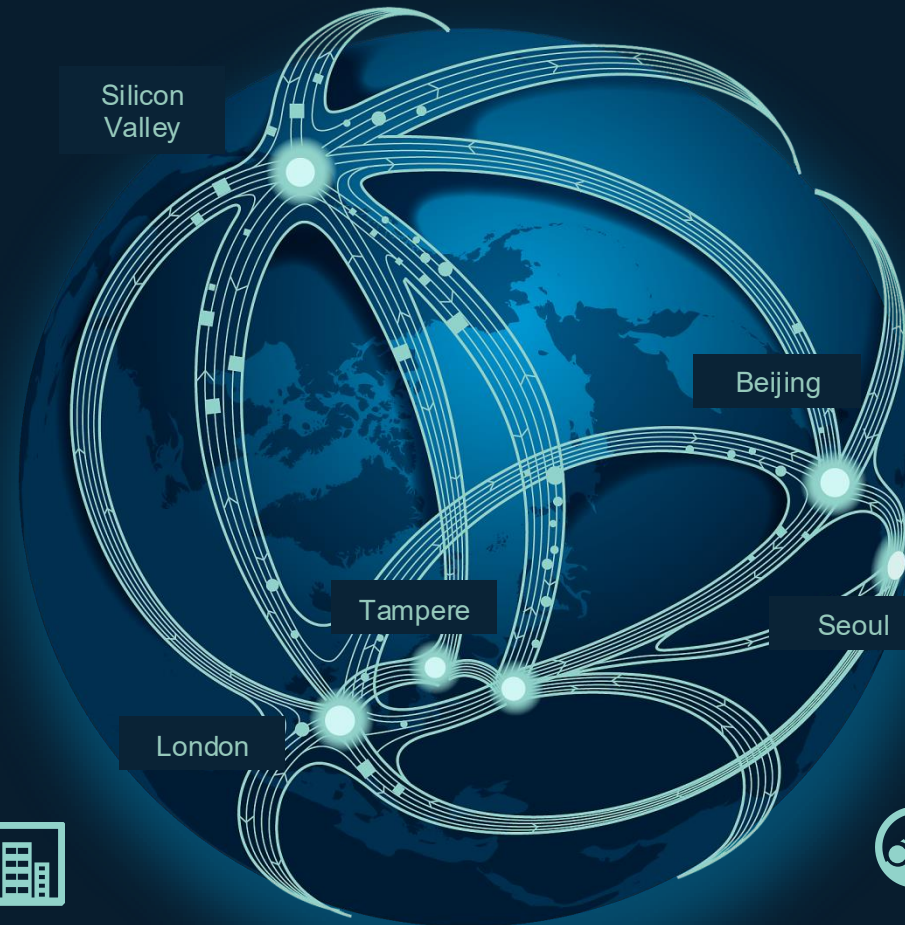
STUDENTS



TOURISTS



FIRMS AND THEIR  
FUNCTIONS



## VIRTUAL FLOWS



CAPITAL



TECHNOLOGICAL  
AND  
BUSINESS  
INFORMATION



CULTURAL  
CONTENTS