

Chapter 2

Place–Based Subnational Development: Unpacking Some of the Key Conceptual Strands and Normative Dispositions

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ABSTRACT

This chapter offers a critical theoretically informed and policy-relevant exploration of some of the most prevalent conceptual strands informing place-based development scholarship, discourse, and practice. In doing so, it examines the emphasis on co-operation, open governance, and the assumption that all places have the potential to grow and prosper. Further, it analyzes normative dispositions – namely that place-based modes of subnational development could represent a viable and progressive approach which reconciles pervasive tensions between economic growth and spatial equity. In the process, the chapter identifies four key conceptual strands that characterize place-based development theory and practice.

INTRODUCTION

The starting point of a place-based development policy is the idea that most of the knowledge needed to fully exploit the growth potential of a place and to design tailor-made institutions and investments is not readily available—whether held by the state, large corporations, or local agents—and must be produced anew through a participatory and deliberative process involving all local and external actors. (Barca, McCann, & Rodríguez-Pose, 2012, p. 147)

Place-based modes of subnational development are viewed by some as a significant emergent paradigm (OECD, 2011; Tomaney, 2010). Nevertheless, this purportedly “new” paradigm of regional development

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is in need of greater theoretical attention and conceptual clarification than hitherto (Pugalis & Bentley, 2014). Mendez (2012) credited Winnick (1966) with first employing the concept of place prosperity versus people prosperity to illustrate one of the core tensions in subnational development (including local and regional policy). Nevertheless, the term “place-based” is often used carelessly, such as when the same actors and institutions may adopt it in different settings to mean distinctly different things (Pugalis & Gray 2016). In some interpretations, for example, it is invoked to refer to decentralized or devolved funding and decision-making. In others, for example, place-based development is a codification of emergent practices concerned with bottom-up development, innovation, and multi-level governance. The codification of place-based development, exemplified in Barca (2009), represents a subtle case for investment in active subnational development policies intended to boost growth in highly competitive places as well as those less developed places, such as “lagging regions.” In this respect, it is in part a response to “spatially-blind” policy responses, such as those advocated by the World Bank Development Report (2009) “reshaping economic geography” as well as political and other pressures.

Importantly, place-based development is not, as some have interpreted, simply another term for area-based interventions or policy that is in some way spatially targeted (Hildreth & Bailey, 2014). Neither does it posit a policy choice between focusing interventions on people or place (Barca, 2011). Indeed, its proponents argue that place-based development *is* a people focused policy, albeit one that intends to fully account for spatial factors (Garcilazo, Martins, & Tompson, 2010). Furthermore, the adoption of a place-based approach does not preclude the deployment of other, for example, “space neutral” interventions. Simply put, place-based approaches to subnational development, of which there are manifold varieties (Pugalis & Bentley, 2015), recognize that place matters.

With a focus on place-based subnational development, this chapter sets out to assist researchers and policymakers by providing a critical exploration of some of the key ideas and normative dispositions implicit within this increasingly influential approach (promoted by international organizations such as the OECD). The chapter hopes to help clarify some of the thinking lurking behind place-based policy epistemologies and philosophies through identifying four key conceptual strands that are pervasive in dominant notions of place-based development: decentralization, multi-level governance, knowledge and innovation, and institutions. Whilst collectively these strands provide only a starting point for a fuller theorization of place-based development, both individually and collectively they nevertheless offer a useful analytical device for disentangling, distinguishing, and analyzing distinct varieties of place-based development policy.

The approach for explicating foundational conceptual strands of place-based thinking recognizes that attempts to define the notion and practice of place-based development too tightly could limit its effectiveness, diluting the fundamental feature that context of place matters (Pugalis & Bentley, 2014). From this perspective, a primary dimension of place-based modes of local and regional development, and arguably one of its major strengths, is its flexibility. It is for this reason that the chapter seeks to unpack “conceptual strands” rather than a more prescriptive “framework” or “ideal type.” Through an exposition of a dominant place-based narrative that has found favor in European discourse, the chapter demonstrates that it is implicitly progressive in its approach. Importantly, place-based development represents an attempt to reconcile policies intended to promote equity (within and between places) and economic efficiency (growth).

The remainder of this chapter is organized into five sections. The first substantive sections seek to situate place-based development historically in the context of a shift from government to governance, the importance of more flexible or relational understanding of place, and the emergence of subnational

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