

NEW REGIONAL DEVELOPMENT PARADIGMS: AN EXPOSITION OF PLACE- BASED MODALITIES

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ABSTRACT: The policy field of regional development is perennially faced with new challenges and, as a result, it continues to evolve. More recently, according to some researchers there has been an important transformation or change in emphasis in the character of regional development. Some have characterised this qualitative transformation as a shift from an ‘old’ paradigm of regional development that sought to compensate lagging regions to a ‘new’ paradigm, commonly labelled ‘place-based development’, which attests that all places can grow when policymaking is attuned to spatial particularities. Nevertheless, recognition that all places exhibit potential to grow and develop does little to advance longstanding debates about how to go about realising inherent possibilities specific to particular places. This paper aims to provide an exposition of this new paradigm of regional development to help to (i) enhance our understanding of contemporary modes of regional development; (ii) develop a clearer understanding of its progressive potentials alongside some unresolved tensions; and (iii) identify practical matters when implementing place-based principles.

KEY WORDS: regional development policy, place-based development, paradigm, growth.

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1. INTRODUCTION

Regional development has an extensive, albeit chequered, history, particularly acute in an Australian context (Beer *et al.*, 2003; Collits, 2012). Indeed, invoking the ‘regional’ development construct in theory and practice is not as straightforward as might first appear. Moreover, the policy field of regional development is perennially faced with new challenges, such as ‘...the new global context, which imposes on all countries, regions and firms a reshaping of locational patterns of production, new standards in economic efficiency and innovation capability, and new behaviours in managing technology, production cycles, information and finance’ (Camagni and Capello, 2015: 26). This new global context continues to vex and inspire scholars and practitioners concerned with the development of regions.

For the past hundred years, governments around the world – whether federal, state, regional or local – have utilised diverse combinations of supply-side and demand-side interventions either directly or indirectly. More recently, places of all shapes and sizes throughout Australasia and beyond are undergoing profound changes. A combination of shifting social, economic, environmental and political processes, which have engendered a new global context, have also incited a seachange in the character of regional development thinking, policy and, perhaps to a lesser extent, practice. Some have characterised this qualitative transformation as a shift from an ‘old’ paradigm of regional development that sought to compensate lagging regions to a ‘new’ growth-oriented paradigm (e.g. Organisation for Economic Co-operation and Development (OECD), 2009b; Camagni and Capello, 2015; Garcilazo *et al.*, 2015), commonly labelled ‘place-based development policy’. It is worth noting that numerous other ‘paradigms’ of regional development policy continue to be utilised and promoted, such as people-centred models, active regional development and space-blind policies (see Bentley and Pugalis, 2014), as different modes of regional development vie for attention.

The place-based paradigm has been presented by some as a more effective alternative to the ‘older’ compensatory approaches to regional development, which are much maligned in Australasia (Regional Australia Institute, 2015) and internationally (Parr, 2015). The ‘new’ paradigm is an attempt to codify emergent practices around regional development, based upon several key aspects including institutional reform, multi-actor collaboration and the principle that all places have the

potential for economic growth. It is in this sense that place-based development is considered by some to represent a 'new' paradigm, although its novelty is not unquestionable.

The merits of place-based development are often contrasted with those pertaining to contemporary space-blind approaches. Making the case for universal space-blind policies, the World Bank (2009), informed by new economic geography and new urban economics, emphasises the agglomerative benefits arising from geographically uneven and concentrated growth, which is put forward as the most efficient means of achieving inclusive development. Despite some deep philosophical and policy divergences, each paradigm shares many characteristics, not least the objective of growth over ameliorative redistribution and a recognition that place matters in economic geography (albeit through radically different theoretical understandings).

Place-based modalities of regional development are now widespread, and although unevenly practiced around the world, including Africa (OECD, 2015; Pugalís *et al.*, 2014), Australia (Gillen, 2004), Europe (Avdikos and Chardas, 2015; Mendez, 2013) and North America (Rangwala, 2010), are conditioned by contextually specific place assets and dispositions. For example, while European place-based discourse codifies emergent practices into an implicitly progressive strategy for development rooted in ideas of institutional reform and innovation (Tomaney, 2010), in much of the US literature it is more closely associated with spatially targeted interventions or policy that originates in 'local' places as opposed to that designed by central or state government (Hopkins and Ferris, 2015). Furthermore, the notion of place-based development is inevitably interpreted differently through policymaking processes and implementation. From the above, it is clear that 'place-based' concepts are deployed in distinctive and not necessarily consistent ways; often informed by opaque conceptualisations and the operationalization of these concepts can lack precision (Pugalís and Bentley, 2014). For example, some deploy the term to refer primarily to neighbourhood-based interventions (Jennings, 2012), others equate place-based measures with a specific scale of activity, such as the local level (Huggins and Clifton, 2011), whereas some provide little, if any, explanation of their use of the concept. With this in mind, we deploy the term 'modality' to draw attention to the different modes by which place-based forms of development are conceptualised and operationalised. Hence, we understand place-based thinking and policy as a 'meta-approach' derived from variegated interpretations and practice (Pugalís

and Bentley, 2015). It is in this sense that place-based development can be conceptualised as a distinct ‘paradigm’. However, it is vital to emphasise that the place-based development paradigm encompasses a multitude of place-based modalities.

Based on evidence that the geography of economic activity is more heterogeneous than previously understood (Garcilazo and Oliveira Martins, 2015), which in turn implies that there is no ideal-typical ‘growth region’, a key feature of the place-based paradigm is the explicit recognition that inefficiencies and social exclusion traps can arise in all places. The ‘new’ paradigm of regional development aims ‘at giving all places the opportunity to make use of their potential (efficiency) and all people the opportunity to be socially included independently of where they live (social inclusion)’ (Barca, 2009: xii). Hence, place-based modalities are equally applicable for ‘rural’ places as they are ‘urban’ places (Horlings and Marsden, 2014; OECD, 2003), as well as any other spatial envelope, categorisation or typology that one may choose to deploy. Place-based development is, therefore, consistent with theories of planetary urbanization.

A policy position informed by place-based ideals, such as those codified in the works of the OECD (2009b; 2011) and Fabrizio Barca’s (2009) report for the EU, can therefore be understood as one that seeks to address economic competitiveness *and* social equality – the holy grail of regional development praxis. Nevertheless, recognition that all places exhibit potential to grow and develop does little to advance longstanding debates about how to go about realising inherent possibilities specific to particular places.

The chief objective of this paper is to provide an exposition of the ‘new’ paradigm of regional development as codified through influential reports by the OECD and Barca. This helps to (i) enhance our understanding of contemporary modes of regional development; (ii) develop a clearer understanding of its progressive potentials alongside some unresolved tensions; and (iii) identify practical matters when implementing place-based principles. The remainder of the paper is organised into three sections, commencing with an articulation of place-based modalities. The next section reflects critically on the practicalities of adopting place-based development philosophies. We conclude the paper in with some final thoughts and recommendations for further research.

2. PLACE-BASED MODALITIES

For Tomaney (2010: 6), writing for an Australian audience, the codified place-based approach promoted by Barca and the OECD amongst others:

“...emphasizes the identification and mobilisation of endogenous potential ...and ...aims to develop locally-owned strategies that can tap into unused economic potential in all regions ... [to secure]... sustainable development and... well-being... [it... requires] strong and adaptable local institutions... [and] the involvement of a wide range of stakeholders and mechanisms for identifying assets in the local economy that can be the basis for local growth strategies.”

This particular understanding of place-based modalities emphasises the benefits of mapping a place’s assets and marshalling the full-range of available knowledges as a means to devise integrated, long-term strategies to navigate particular paths for development. It is consistent with the OECD’s (2011) interpretation of how place-based modalities (the ‘new’ paradigm) are distinguishable from compensatory regional development approaches (the ‘old’ paradigm) (see Table 1). Yet, a supportive and flexible institutional framework would also appear to be a critical element (Barca, 2009; Bentley and Pugalis, 2014), which is not immediately apparent from the OECD’s characterisation of the key differences between the ‘old’ and ‘new’ paradigms of regional development. We shall now review each facet, including institutional frameworks.

Table 1. ‘Old’ and ‘New’ Paradigms of Regional Development.

	Old paradigm	New paradigm
Objectives	Compensating temporarily for location disadvantages of lagging regions	Tapping underutilised potential in all regions for enhancing regional competitiveness
Unit of intervention	Administrative units	Functional economic areas
Strategies	Sectoral approach	Integrated development projects
Tools	Subsidies and state aids	Mix of soft and hard capital (capital stock, labour market, business environment, social capital and networks)
Actors	Central government	Different levels of government

Source: OECD 2011.

Objectives

The overarching objective of a place-based approach is to reduce persistent inefficiency and inequality in specific places. The approach is in part a response to the view that redistributive approaches were ineffective in bringing about long-term change, were expensive, and could promote rent-seeking amongst local elites. A place-based approach aims to maximise returns on public investment not only by investing in economically strong areas, but by assisting less developed places to maximise their potential (Camagni and Capello, 2015; see Farole *et al.*, 2011, who make a pragmatic case for promoting growth in less developed places). Reducing barriers to capital and labour mobility, as prescribed in the growth-focussed ‘space-blind’ policy set out in the 2009 World Bank Development Report, tends to favour the concentration of high-skilled knowledge-intensive workers in large urban-economic agglomerations. This poses serious challenges for those people (often with lower skills levels) left behind in lagging places. Indeed, there are practical limits, which challenge the logic of agglomeration-based development. A review of the evidence on the mobility of workers found equilibrium labour market adjustment – population movement from struggling to more

successful places – to be far from perfect, even in the US where workers are historically much more mobile (Partridge *et al.*, 2015). In the absence of perfect equilibrium adjustment, the on-going inability of some places to make the most of their economic potential means not only sub-optimal economic outcomes for residents but also lower aggregate national growth (Farole *et al.*, 2011). The focus on promoting growth in places with weaker economies indicates a clearly normative, consciously progressive, dimension to place-based thinking in the sense of supporting all people via a focus on all places. Thus, the defining objective of place-based development is about enhancing and maximising capabilities, which is distinct from compensatory modes of regional development.

Institutional Frameworks and Actors

Decentralisation of power and resources has become a more prominent policy agenda in many countries and territories around the world and is an important principle within place-based articulations of regional development. Many important factors of development, such as labour markets and education, are regionally distinctive, thus it is important to harness local and regional expertise and involve a broad range of actors that operate in and across multiple scales (Farole *et al.*, 2011; Gray and Pugalis, 2016). However, while it is an important and necessary aspect, not all interpretations of place-based approaches see decentralisation as a sufficient condition for success or an end goal of development. For example, place-based development as codified by Barca and the OECD retains a prominent role for the central state within a system of multi-level governance: ‘The rationale for country-specific multi-level governance instruments arises from the need to have both sub-national ownership and central intervention’ (OECD, 2009b: 112). This necessitates strong conditionalities as well as incentives from higher levels of government in tandem with a dispersal of ‘public’ responsibilities to private and civic interests, and governance bodies. The intent is to provide places with more responsibility for policy design, whereby they operate within supportive, flexible and place-sensitive institutional frameworks. Nevertheless, many institutions, such as those at the national or state tier, are space-blind in their outlook.

Given that there is often a disjunction between geographies of production/consumption and geographies of (territorial) governance (Barca, 2009; Healey, 2007), readings of place-based development also tend to stress the need for what can be described as networking and

collaborative approaches to governance. Multi-level governance approaches tend to accept that power is (unevenly) distributed between an array of institutions at multiple levels operating across variable spatial jurisdictions, with central/state government to a greater or lesser extent retaining a steering or meta-governance role. In this context, conditionality remains important, perhaps decisive. In practice, central and/or federal government steering is likely to significantly shape the capacity of place-based governance bodies and regional institutional frameworks. It is also claimed that central steering through multi-level modes of governance serves to facilitate effective oversight of place-based strategies so as to avoid self-interested practices, such as, rent-seeking behaviour (Barca, 2009).

Place-based thinking emphasises the role that ‘open’ governance institutions can play in bringing together local stakeholders, including individual and institutional actors in the public, private and social sectors. Importantly, local and regional institutions are vital to the task of stimulating, uncovering and bringing together the knowledge and ideas understood to be necessary for innovation and endogenous development, whereby there is:

“...a need for public action to establish a process through which the knowledge and preferences of all those living in a place are elicited and aggregated and the decisions made and their effects submitted to scrutiny and public debate” (Barca, 2009: 23).

The notion of open, democratic institutions at the heart of local governance, working to aggregate the preferences of all stakeholders underscores the normative nature of the dominant place-based narrative. The approach draws upon and echoes ideas of deliberative democracy and participatory governance exemplified in Fung and Wright (2003) and implicit in Habermas’s (1984) theorisation of communicative action.

Unit of Intervention

The observation that problems extend beyond territorially defined boundaries focuses attention on the importance of relational geographies as a means of informing the construction of scales of cooperative governance and policy development. Debasing the inevitable and predetermined nature of scales, Peck draws attention to ‘conflicts and

compromises', often secreted over many years, which influence how places develop and evolve (Peck, 2002). Such a view recognises that scales of regulatory, policy and/or administrative functions and processes are politically constructed. It follows that the geography of policy intervention is not necessarily the same as geographies of governance. A place-based perspective, advocates that geographies of intervention should be policy-led rather than pre-determined as is the case in traditional, top-down policies, and existing administrative boundaries may not always be the most appropriate. The idea of flexible boundaries, relational notions of space, distanced relations and open geographies is central to place-based thinking, although in practice the more prosaic apparatus of Functional Economic Market Areas (FEMAs) is often prevalent – this approach would entail local and regional actors from different sectors interacting and cooperating within, between and beyond territorial boundaries, whereby the geography of interaction is contingent on the geography of policy intervention that is deemed to be most effective. This would entail dynamic units of multiple geographies of intervention, operating within the framework of one or more geographies of governance.

Strategies and Tools

Place-based modalities advocated by both the OECD and Barca stress the need to employ a long-term development strategy based upon highly tailored interventions, rather than drawing upon off-the-peg development 'solutions', and with a focus on strengthening formal and informal institutions including governance organisations (Farole *et al.*, 2010). There is also an emphasis on endogenous growth – in the most advanced sense 'smart specialisation' (Foray, 2015) – whereby strategies are anticipated to reflect local and regional expertise, co-production and specialisms to facilitate endogenously distinct growth paths and development. Importantly, there is no single model for place-based strategies. Rather, strategies are intended to be derived from analysis of those assets, capabilities and conditions particular to the place (Bentley and Pugalís, 2014). Thus, integrated strategies are favoured over sector-based strategies, guided by a broader understanding of development policy that encapsulates 'bundles' of public goods, which indicates a move away from a narrow range of supply-side and demand-side economic development interventions. Central to place-based modalities is a growth predisposition. Thus, 'investments' are favoured over

‘subsidies’, evidenced by the increasing use of alternative sources of finance and innovative development tools, such as asset-backed vehicles. This is consistent with views of the changing role of the state from direct provider to broker or facilitator.

The place-based meta-narrative can be summarised as follows:

- A long-term development strategy whose objective is to reduce persistent inefficiency and inequality in specific places.
- The production of bundles of integrated, place-tailored public goods and services, designed and implemented by eliciting and aggregating place-based preferences and knowledge through participatory political institutions, and by establishing linkages with other places.
- Promoted from outside the place by a system of multilevel governance where support, such as, grants are subject to conditionalities on both objectives and institutions are transferred from higher to lower levels of government (Barca, 2009).

Based on the above reading of the place-based meta-narrative, the following section considers some of the potential weaknesses and unresolved tensions replete in place-based discourse, together with an analysis of some of the practical difficulties of adopting place-based development philosophies. We begin to look at the extent to which place-based ideas can be applied in practice before exploring some of the progressive aspects, such as an objective to reconcile efficiency and equity, before considering the question of neoliberal capture.

3. PLACE-BASED DEVELOPMENT PHILOSOPHIES: UNRESOLVED ISSUES AND PRACTICAL DIFFICULTIES

Context and Conditions

Contrary to the OECD who perceive “...the greater the differentiation of place-based policies, the more challenging it will be to make consistent regional policy” (OECD, 2009b: 112), we argue that differentiation is an inherent feature of place-based thinking. Extant research demonstrates that contextual specificity is crucial to analysing the varieties of actually existing place-based practice (Bentley and Pugalis, 2014; Wink *et al.*,

2016). Bentley and Pugalís (2014), for example, draw attention to the dangers of the emergence and policy capture of a single, dominant mode of place-based development, which could emerge from place-based policy codified by Barca and the OECD. This, they argue, could undermine the philosophical values of place-based modes of practice, namely those relating to spatial particularity. In policy terms, spatial particularity could be phrased as devising and moulding institutional processes, governance structures and practical strategies in a manner that is conducive to, and reflective of, contextual factors.

Barca *et al.* (2012) argue that despite some novel practices over recent decades, many of them bottom-up or place-based interventions, regional development policy still tends to rely upon imitations of strategies or models that are perceived to have succeeded elsewhere and to be based upon the traditional pillars of capital investment in infrastructure and other attempts to attract and encourage mobile capital through, for example, financial incentives. The context for the construction and deployment of many place-based strategies is often one where place-based partners (i.e. multiscale constellations of diverse actors) are conferred some manner of ‘instrument independence’, such as an ability to set business rates, but lack ‘goal independence’. That is, place-based strategies are highly contingent on the policies, actions and decisions of ‘others’ and are thus constrained and conditioned by exogenous factors, including space-blind policies.

Place-Based Development Strategies as an Attempt to Reconcile Growth and Equity

Discussions of spatial disparities tend to assume a trade-off between economic efficiency and equity (Martin, 2015). Place-based policy, as codified by Barca and the OECD, argues that such a trade-off is unnecessary: it is an attempt to reconcile the question of growth and equity in large part through a focus on innovation and endogenous development. Scott and Storper (2003) neatly summarise the tension between growth and equity within development policy:

“[S]ome analysts hold that development policy is best focused on productivity improvements in dynamic agglomerations, (thereby maximising national growth rates but increasing social tensions), while other analysts suggest that limiting inequality through appropriate forms of income distribution (social and/or inter-regional) can lead to more viable long-run development programmes” (Scott and Storper, 2003: 588).

The influence of space-neutral approaches informed by new economic geography and new spatial economics has tended to marginalise the issue of spatial inequality in development debates (Martin, 2015). Place-based thinking responds by linking national economic objectives with regional growth, arguing that a place-based policy approach to spatial development will boost national economic growth and wellbeing. A number of influential reports from the OECD makes this case, arguing that across the OECD area, less developed regions make an important contribution to overall economic performance – accounting for 43 per cent of aggregate growth (OECD, 2009a).

Place-based thinking (the ‘new’ paradigm) and traditional redistributive approaches (the ‘old’ paradigm) share some core objectives and principles if not strategies and mechanisms. Fundamentally, the approaches share a focus on identifying unemployed resources and underused potential and bringing them into use. Crucially, there is a shared normative focus on equity while an important difference lies in the strategic approach and the interventions deployed to bring about change. Whereas the old paradigm of regional development was guided by an attempt to ameliorate inequality via fiscal transfers and grants, the new place-based paradigm is still likely to entail some redistributive mechanisms, but these are intended to take the form of ‘appropriate bundles of public goods’ (Barca, 2009: 25) in order to build a place’s institutional capacity. This approach is a logical application of a guiding principle that all places have the potential to grow; importantly, in the context of contemporary debates, not only already successful places such as leading urban agglomerations (Barca, 2009; 2011). The approach holds that agglomerations are market *and* policy driven and that all policies – even notionally spatial blind policies – will have spatial effects (Garcillazo *et al.* 2010). How to reconcile the unintended spatial effects of space-blind policies as they interact with variegated place-based strategies in different regions is an issue requiring further conceptual and empirical research attention.

A place-based approach eschews targets of narrowing the gap between leading and lagging regions; there is an explicit acceptance that some degree of spatial inequality is inevitable with policy instead seeking to facilitate all places to develop their capabilities and, thus, realise their potential. This implies that existing measures of ‘success’, such as Gross Domestic Product, are insufficient. At the same time, while recognising that growth will be uneven place-based policy is clear that the objective is to improve development outcomes for poorer and lagging places and that policy intervention can help achieve this. In this sense, place-based modalities are open to some of the criticisms facing traditional regional development policies.

Neoliberal Capture

Pugalis and Bentley (2014) observe that some place-based policy transitions represent variations on the neoliberalisation project intended to extend the reach of the market mechanism into public policy. In one sense, the place-based approach interpreted here is very different from what might be seen as typical or orthodox neoliberalising strategies as described by Peck *et al.* (2009: 15):

“Neoliberal doctrine is premised upon a ‘one size fits all’ model of policy implementation which assumes that identical results will follow the imposition of market-oriented reforms, rather than recognising the extraordinary variations that arise as neoliberal reform initiatives are imposed within contextually specific institutional landscapes and policy environments.”

However, even the progressive intent implicit in place-based thinking codified by Barca and the OECD could be open to similar, albeit more nuanced, critique. Importantly, neoliberalisation is not a constant state – it is a dynamic process that interacts with inherited path dependent institutional landscapes (Geddes, 2011; Peck *et al.*, 2009). Within this process there are expansive and consolidatory phases or ‘moments’ (Peck *et al.*, 2009; Peck, 2012). Expansive moments are those, such as, public sector austerity or large scale privatisations that might be described as the most active or aggressive. Consolidatory moments are those that involve some degree of compromise or reaction to resistance (Beer *et al.*, 2005). These consolidatory moments have been described as ‘mutations’ (Peck

et al., 2009) and might include public-private partnerships or ‘nudge’ economics and, while they represent a degree of compromise, their function is to consolidate the neoliberalisation process.

From this perspective, the progressive intent of codified modalities of place-based development could be conceptualised as a consolidation (‘mutation’). An intervention that, in one sense, is designed to combat disadvantage of place, in another sense remains saturated with the discourse of economic growth, devolution of risk, and self-reliance, wherein individual places and regions must take responsibility for their own success or failure. That is, much of the place-based discourse remains ‘growth-first’ in outlook with an emphasis on contributing to national growth (Garcilazo and Martins, 2013; Garcilazo *et al.*, 2010; Parkinson and Meegan, 2013). It is perhaps worth noting here that the codified version of place-based policy remains potentially vulnerable, such as the prescriptions of the OECD (2012; 2009a), which maintain a strong theme of place competitiveness.

For Avdikos and Chardas (2015) the place-based approach as articulated in Barca (2009) or Farole *et al.* (2011) represents a theoretical and policy shift where spatial equity cedes primacy to growth-orientated strategies. While some place-based thinking appears to deliberately eschew the language of ‘competitiveness’, in policy and practice it is often pervasive. In political and technical terms, codified place-based policy recommends a focus on the objectives of growth and jobs, which moves away from the policy objective of economic convergence. That is, it does not advocate overt targets to narrow the gap between lagging and leading regions; a move that has provoked criticism that it abandons or downgrades the core principle of equity (Avdikos and Chardas, 2015). This perceived move towards the principle of competitiveness and Schumpeterian ideas of innovation resulting in the alignment (or co-option) of regional development policy to competitiveness and innovation policy, leads to the critique that place-based thinking promotes the idea that places are largely responsible for their own development outcomes and in this sense could support a ‘dependency’ narrative wherein one region or place is argued to be a drain on or unfairly dependent upon others. The place-based logic emanating from the Barca and OECD reports tends to emphasise factors and attributes that may be lacking in less developed places – such as trust, social capital, skills, and innovative capacity of public and private sectors – along with a strong role for sub-national governance institutions which, again, may be underdeveloped. Taken together, a place-based approach may favour or be more suited to places with stronger institutions and capacities, which are often

associated with more developed economies (Avdikos and Chardas, 2015), which draws attention to the importance of path-dependency.

Place-based thinking codified by the OECD and Barca is presented as avowedly political and openly democratic. This distinguishes the approach from what has been described as the contemporary post-political condition (Tomaney, 2014; Pike *et al.*, 2007). In an influential text, Glaeser (2012: 132) argues that "...robust democracy often impedes the forceful action that must be taken to substantially improve urban life". Tomaney (2014: 134) criticises Glaeser's conception of place-based leadership, arguing that it is empirically underdeveloped, neglects the role of democracy and is reliant upon "a great man of history approach", contending that "the sense in which economic development is a technical exercise which is disturbed by an excess of politics is a theme of the literature on regional institutions". Despite the discourse of place-based development being guided by principles, such as open and transparent methods of governance, there is little empirical experience to substantiate that this element of place-based thinking translates into actually existing place-based strategies.

Place-based modalities are also mired in other practical difficulties. Firstly, a dearth of readily available data mean there are difficulties in mapping economic relations, such as global (and more local) supply chain linkages which are used to discern the development potentials of economic activities. Secondly, there is a question of scale; the focus of attention has been on FEMAs, which in policy terms have been equated with metropolitan areas and city-regions. However, place-based approaches can be operationalised at a more local scale or a broader regional scale; the important aspect of place-based development is that scales are negotiated through the policy-making process rather than being predefined. Difficulties are posed when attempting to 'fit' territorially defined institutions with the relational geographies of (evolving) development paths. Thus, where actor allegiances are territorially bounded it would pose difficulties for realizing collaborative governance on issues that traverse territorial boundaries. Thirdly, utilising the knowledge and expertise of place-based actors through partnership working and collaborative practices is often stymied by pragmatic factors, such as time limitations. This can result in delegation of activities (and decisions) to technocratic experts and professionals.

4. CONCLUSION

In a context of the ‘return of place’ in the pursuit of public policy objectives (Garcilazo, 2011; Matthews, 2013), place-based modalities are being promoted as a means of achieving regional development ambitions in *all places*, irrespective of their particular spatial, historical and national contexts. Place-based policy, as codified in influential reports by Barca and the OECD, not only attests that inefficiency and social exclusion traps can arise in all places, but that all places exhibit untapped development potentials. Thus, development potentialities (and constraints) are specific to the particular place in question, which highlights the need for approaches that are tailored to contextual conditions. Such a policy perspective, responds to critiques that subsidy-based interventions can be ineffective. Indeed, it is based on the view that the redistribution of resources among places is not a sufficient condition for pursuing either economic or social development objectives. Advocates of the place-based approach (e.g. Barca *et al.*, 2012; Garcilazo, 2011; McCann and Rodríguez-Pose, 2011; Parkinson and Meegan, 2013) argue there are serious risks of misallocating resources, creating a dependency culture and favouring rent-seekers.

In contradistinction, space-neutral approaches regard spatially-targeted and tailored development policy at lagging or poorer regions as a last resort on the grounds that such policies have failed in the past to resolve perceived problems of spatial inequality and are likely to be economically inefficient at the level of the ‘whole’ economy. Instead, place-neutral policies are intended to be universally applicable, focussing on supply-side instruments intended to improve connectivity between weaker and stronger economic areas, to enable people in lagging regions to access opportunities in those places where they are available. Despite the differences between place-based and space-blind modes of development, which are each guided by distinct philosophies, it may not necessarily be productive to consider them in a dichotomous tension. In practice, both policies tend to operate simultaneously. Thus, there is a need for future research to grapple with the tensions at the interface of space-blind and place-based policies.

Our exegesis of place-based modalities as codified through the works of the OECD and Barca has revealed tension around its progressive potential and questions around its practical application. Recognition of the importance of history as articulated in ideas of path dependency and cumulative causation (Martin, 2015), together with an understanding that

the development paths of places are in large part a result of their relationship with other places, would appear to be vital in place-based strategies delivering on their progressive promise. In this respect, a significant critique of place-based policy is that there is an overemphasis on the endogenous drivers of development outcomes (Avdikos and Chardas, 2015). In addition, neoliberalised language of competitiveness remains pervasive in regional development theory and practice, including amongst researchers and practitioners sympathetic to the place-based approach (Parkinson and Meegan, 2013). Questions around the progressive potential of place-based modalities are consistent with ongoing debates about neoliberal capture and whether or not it is possible for local and regional development practice to stand outside of 'thoroughly neo-liberalised' institutional settings (Geddes, 2011).

In practical terms, political leaders at different tiers of government are reticent to relinquish control, which is a precondition if multi-level-governance structures, as advocated in codified place-based thinking, to develop in robust ways. Furthermore, there is limited evidence in regional development practice of the kind of participatory practices and open systems of governance advocated in place-based thinking. Alongside this, differing understandings of place-based thinking and a lack of conceptual clarity (Pugalis and Bentley, 2014) present the risk of the approach becoming the new buzz term applied to the 'old' development paradigm. For example in England and the US, policy debates have continued to conflate the approach with spatially targeted interventions (Hildreth and Bailey, 2014; Hopkins and Ferris, 2015).

A final remark is that growth-orientated policies have the potential to widen existing spatial disparities and the position that this might not necessarily be a problem provided that all places are able to fulfil their potential is reflective of neoliberal politics, which predominates twenty-first century society and, thus, regional development policy. Through our relatively brief exposition of place-based modalities as codified through the works of Barca and the OECD, we conclude that the 'new' place-based regional development remains a highly contested activity. The extent to which place-based modalities are new and distinctive remains open to critical analysis, particularly in view of insights that the transformation in regional development thinking and policy that has taken place over recent times (and continues to evolve), is less apparent in practice. Therefore, research that departs from different theoretical positions and utilises a wide-range of methodological approaches is called for in order to advance debates about actually existing place-based

development practice in Australia, New Zealand and further afield, including the interactions between space-blind and place-based policies

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