

Third Global Conference on Economic Geography 2011
Space, Economy and Environment
June 28 - July 2, 2011, COEX, Seoul, Korea



Introduction to the Sessions & Abstracts

HOSTs

Presented by Institute of Space & Economy

Organized by Institute of Space & Economy

Seoul National University

The Economic Geographical Society of Korea

ISE 공간경제연구원
Institute of Space & Economy



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This conference is the continuation of the first (Singapore, December 5-9, 2000) and second (Beijing, June 25-28, 2007) successful Global Conferences on Economic Geography. The two conferences were significant in spurring on economic-geographical dialogue in a sustained manner worldwide. In organizing the Third Global Conference on Economic Geography, we have three specific objectives:

1. The conference will provide a forum for constructive cross-regional dialogue among economic geographers from all regions and countries. Such dialogue is critical for the advancement of the subject.
2. The conference will provide a unique opportunity for economic geographers to discuss path-breaking concepts, ideas, frameworks and theories in economic geography, enhancing the global interdependence of networks for economic geographers.
3. The conference and its associated activities will enable economic geographers to interact with geographers and other interested social scientists to explore the dynamics of the global economic transformations.

The organizer “Institute of Space & Economy” is an independent research center with specific focus on spatial economy. Its major research fields include economic geography, regional economics, regional development, regional planning and sociology.

The mega-trends of knowledge-based information society and globalization have significantly changed the economic landscapes during the last two decades. Along with such changes, there has emerged in the world a long spectrum of countries from rich to poor on the one hand, while on the other, there also come forward diverse regions from rich to poor within a national economic space. It is important to analyze the processes of the dynamic economic landscapes resulting from the diverse external forces, such as the financial crisis and the global mega-trends, and to provide appropriate regional and national development strategies to overcome the confronted problems. The ISE was founded in January 2010 in order to conduct researches on the regional issues and to suggest regional strategies.

The ISE aims to contribute to the development of regional community and the welfare of people through conducting researches on the problems and changes of the regional industries and economy, and diffusing results of the researches to various regions and countries. Especially, researches on both policy issues and theories on the regional industrial and economic development in Korea are conducted in order to contribute to the regional industrial policies of Korea and regional economic development policies for developing countries. Furthermore, the ISE also attempts to develop the Korean model of regional development based on diverse experiences of problem-solving and actual policy applications of the academic research accomplishments, and to diffuse the Korean experiences to developing countries.

Website: <http://www.space-economy.org>, E-mail: admin@space-economy.org

ISE 공간경제연구원
Institute of Space & Economy

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Economic Geography
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Conference Timetable

	6-28 (TUE)	6-29 (WED)	6-30 (THU)	7-1 (FRI)	7-2 (SAT)
8:30AM		Sessions 4-9 8:30~10:00AM	Sessions 50-60 8:30~10:00AM	Sessions 106-110 8:30~10:00AM	
			coffee break	coffee break	
10:20AM		Opening Invited Lecture 10:20~11:50AM	Sessions 62-72 10:20~11:50AM	Plenary Panel Session 10:20~11:50AM	
12:00PM		Conference Luncheon 12:00~1:20PM			
1:30PM		Sessions 12-23 1:30~3:00PM	Sessions 74-82 1:30~3:00PM		
		coffee break	coffee break		
3:20PM	Registration Open 3:00PM	Sessions 25-36 3:20~4:50PM	Sessions 84-92 3:20~4:50PM		
		coffee break	coffee break		
5:10PM		Sessions 38-48 5:10~6:40PM	Sessions 94-103 5:10~6:40PM		
	Welcome Dinner 6:00~8:00PM				
			Reception 7:00~9:00PM		
					Organized Tour (optional) 9:00AM~ 5:00PM
				Field Trip 12:00~5:30PM	

Introduction to the Sessions

Introduction to the **Plenary Panel Session: *Remapping Global Economy***

Time: 10:20 – 11:50 AM, July 1, 2011

During the last three decades, the global economic and political system has changed enormously, as witnessed among other things by the collapse of the former USSR, the reunification of Germany, the financial crisis of the East Asian countries, the resurgence of the Chinese economy, the recent world economic crisis, and so on. As Stephens (2005) has indicated, we are “in an era in which everything has changed and most things are still changing”. Levels of geographic uncertainty and risk are intensified by the forces of technological innovation, climatic and environmental change, instabilities in the energy economy, and dramatic global shifts in the location of economic activities, including the outsourcing and offshoring of jobs in many different sectors. In addition, while many former “Third World” territories have made significant forward strides, development gaps between the rich and the poor in global economic space continue to widen. These and other shifts are associated with accelerated geographic transformations at many different scales from the local to the global.

The Third Global Conference on Economic Geography is focused above all on questions regarding current trends and shifts in the global economy as well as on issues of relevant policy action. In this Plenary Panel Session we invite each of seven distinguished scholars to talk briefly (i.e. not more than eight minutes) about the remapping and reconstruction of the global economy from the perspective of their own specialized research interests.

Organizer:

Sam Ock Park

Session Chair:

Allen J. Scott

Panelists:

Angel, David (Environment and energy)

Asheim, Bjorn (Innovation)

Park, Sam Ock (Introduction and economic space)

Pike, Andy (Regional economy and evolution)

Rigby, David (International trade)

Wójcik, Dariusz (Finance)

Yeung, Henry (Industry)

Introduction to the **Special Session: *Urbanization and Economic Development: the Proposed Agenda***

Time: 1:30 – 4:50 PM, June 29, 2011

The World Bank has recently established the Urbanization Knowledge Platform (KP), which is a new global initiative selected in January 2011 through a competitive selection process. Through the collaboration of a wide range of stakeholders, the Urbanization KP aims to combine the best available knowledge with practical wisdom on how urbanization can generate economic, social, and environmental payoffs, supported by governance structures to deliver them. The summary of the KP is in the annex.

The KP is planning a series of regional launch events. For East Asia, the World Bank is organizing the Special Session on “*Urbanization and Economic Development*” at Third Global Conference on Economic Geography in collaboration with the Conference Organizing Committee and Korea Research Institute for Human Settlements.

The World Bank, in collaboration with the Conference Organizing Committee and Korea Research Institute for Human Settlements (KRIHS), is organizing the Special Session on Urbanization and Economic Development on June 29th, 2011. The Special Session consists of one Panel Session, and one Paper Session.

Organizers:

The World Bank

Panel Session Chair:

Greg Clark

Panelists:

Songsu Choi
Masahisa Fujita
Ed Glaeser
Abha Joshi-Ghani
T. R. Lakshmanan
Jeong Ho Moon
Sam Ock Park
Victor Vergara

Paper Session Chair:
Kingsley E. Haynes

Introduction to the **Special Session: The Global Financial Crisis and its Consequences ③: Panel session: *What methodology for what financial geography?***

Time: 5:10 – 6:40 PM, June 29, 2011

An arguable virtue of economic geography is that the discipline is driven more by interesting empirical questions rather than by any particular methodological framework. While such freedom is welcome in trying to understand the global space economy, it can easily seem that the discipline has an anything goes mentality where methodology and research design receive only passing reference. This panel discussion will consider the methodological trajectory of the discipline in terms of both quantitative and qualitative methods, touching on issues of theory building in the field and policy relevance. The panel provides a contextual basis for the discussion by considering these issues in relation to financial geography.

Organizers:
Dariusz Wójcik
Adam Dixon

Session Chair:
Adam Dixon

Panelists:
Sarah Hall
Janelle Knox-Hayes
Adam Dixon
Ewald Engelen
Michael Grote
Dariusz Wójcik

Introduction to the Sessions: ***Transportation Geography and Regulation Theory: A Cases from East Asia***

Time: 8:30-10:00 AM, June 29, 2011

The Rationale and Abstract of the Session: The organizer has been active in conducting research on transportation in critical perspective as the chief of the Japan Team of the GAMUT (the Australasian Centre for the Governance and Management of Urban Transport), a global network of Centres of Excellence in Future Urban Transport funded by the Volvo Research and Educational Foundation in Sweden. The main aim of the GAMUT being to identify more sustainable and user-friendly transport systems, the Japan Team has been working to find out the causes and to analyse the current transportation problems as manifestation of the contradiction in regime shift of capitalism from Fordism to neo-liberalism as well as the imposition of neo-liberalism on transport policies that commonly emphasise the sound financial position of independent transport providers at sacrifice of the convenience of transport users or spatial homogeneity of transport network.

Transport geography is an important sub-discipline of economic geography. It deals with the geographies of ‘annihilation of space by time’, or negation of relative space by means of transportation and communication. Here, two-dimensional space needs to be ‘annihilated’ with a network of one-dimensional line segments. Ideally, the created network needs to be as more homogenous to ensure liberated and egalitarian action space for the general public. In Fordist regime, this was facilitated by means of cross-subsidy and more homogenous spatial distribution of public investment. However, in the neo-liberalism, cross-subsidy was scrapped, leading each line segment to manage itself independently, and higher-speed transportation costing more to build and operate per

km is introduced. This causes deterioration of once more homogenous transport network, through scrapping of rural and local rail services and causing a more uneven space and lopsided distribution of economic activities across space, and various problems that have made system of public transportation less sustainable. Based on this concept, the three members of the Japan Team of the GAMUT plan to present their research outcomes on the relation between transportation and capitalist regimes, as well as the problems associated with neo-liberalisation of transport managements and introduction of the high-speed railway system.

Organizer:

Fujio Mizuoka

Introduction to the Sessions: ***Critical Economic Geographies of East Asia***

Time: 8:30 AM-6:40 PM, June 29, 2011, 8:30 AM-3:00 PM, June 30, 2011

The political right-turn of many East and Southeast Asian states in the last decade, after a period of political, social, and economic liberalization, has fueled an opportunistic belief that critical analyses of East Asian economic geographies are now less relevant than they once were. This is far from being the case; as, for example, the global financial crisis (especially in the United States) has shown, critical analyses of economic processes are more relevant—and more needed—than ever.

These sessions will provide a forum for critical economic geographies of East Asia (inclusive of both Northeast and Southeast Asia). By “critical,” we inclusively refer to Marxist, feminist, post-colonial, and other such critical perspectives. The main themes of these sessions are as follows:

- Economic crisis and its effects on East Asia
- Regionalization and trans-border development in East Asia
- Sub-national economic development in East Asia
- Post-developmental and anti-developmental states in East Asia
- Social movements and economic transformations in East Asia
- Intellectual terrains of East Asian economic geography

EARCAG (East Asian Regional Conference in Alternative Geographies) Sponsored Panels for the Third Global Economic Geography Conference.

Organizers:

Bae-Gyoon Park and Jim Glassman

Introduction to the ***Agenda 2020: Rethinking Economic Geography***

Time: 8:30 – 10:00 AM, June 30, 2011

The objective of the panel session is to discuss concepts that have potential for the discipline's near-term future, have currency with other social sciences, as well as policy relevance. These concepts will be considered within five major areas of enquiry: finance, firms and markets, digital economy, the Global South, and environmental economic geography. The panel builds on a workshop held at the AAG in 2010, sponsored by Economic Geography, and an editorial published in this journal.

Organizers:

Yuko Aoyama and Dariusz Wójcik

Session Chair:

Yuko Aoyama

Panelists:

Yuko Aoyama
Christian Berndt
Ewald Engelen
Peter Lindner
Dominic Power
Matthew Zook
Dariusz Wójcik

Introduction to the **Regional Studies Association Sessions: *Rebalancing Regional and National***

Economies

Time: 8:30 – 11:50 AM, June 30, 2011

In the wake of the economic downturn of 2007-, the debate about the causes of the crisis and recession has focused upon the unbalanced nature of its economic models and geographies. Explanations have been concerned with the imbalances in international trade and currency flows, sectoral structures between especially financial and other services and manufacturing, the relative sizes and roles of the public and private sectors, the composition of demand between consumption and production as well as its domestic or external orientation, and its socially and spatially uneven geographies. Following this diagnosis of the problems, debate about recovery has focused upon the idea of ‘rebalancing’ as a means of rebuilding new economic models that somehow correct the problematic and disruptive imbalances that generated the crisis. ‘Rebalancing’ has become an international concern for high-income economies such as Australia, UK and Japan, middle-income economies such as Portugal and South Korea as well as emerging economies such as Brazil and China. Yet it is not clear what ‘rebalancing’ might mean, whether and how it can be achieved and how it relates to currently dominant ‘new economic geographical’ models promoting greater spatial agglomeration and concentration of economic activities. These sessions will engage this debate on rebalancing regional and national economies.

Organizers:

Andy Pike and Mário Vale

Introduction to the Sessions: ***Economic geography futures***

Time: 1:30 – 6:40 PM, June 30, 2011, 8:30 – 10:00 AM, July 1, 2011

Exploring the some of the recent achievements and potential futures of economic geography, these sessions feature contributors to forthcoming *The Wiley-Blackwell Companion to Economic Geography* (eds. Barnes, Peck and Sheppard, 2012). In the spirit of this, the second edition of the *Companion*, presenters will reflect critically on trends and challenges in the field, from a range of theoretical and geographical perspectives.

Organizers:

Jamie Peck and Eric Sheppard

Abstracts

-A-

Nafisah Abdul Hamed, Ministry of Education. Email: Nafisah_abdul_hamed@moe.edu.sg; Sandra Bei'er Yu, Ministry of Education. Email: Yu_beier_sandra@moe.edu.sg;

Integrated resorts in Singapore: A gamble for development?

The state-led initiative of building the integrated resorts in Singapore was put forward in a bid to reposition Singapore and place her on a par with leading global cities such as London, Paris and New York. Such projects are increasingly imperative in a globalised world today as the race among global cities to build icons for international attention intensifies. In the midst of attempting to take advantage of the rise of global tourism by creating a distinctive landscape of family-friendly resort with leisure attractions, Singapore is also trying to remain economically competitive globally. After debating the effects of the gambling element in 2004 through the local media and Parliament, the government, known for its pragmatism, proceeded with the integrated resorts on the basis of Singapore's vision to be a vibrant, global city. The Singaporean government had foreseen problems that could have arose as a result and have put into place measures to combat these issues. An example could be the spatial division of the integrated resorts from the local heartland community, with one being found in an offshore island in Singapore, and the other on reclaimed land near the CBD area. Despite this fact, together with systematic exclusionary measures for Singaporeans, there were still controversies that have emerged, including problem gambling that leads to other moral problems such as debts, family disagreements and even cheating in the casinos. On the other hand, it must be admitted that for economic good, some necessary "evil" appears to be admissible, especially in light of the fact that the integrated resorts in Singapore have earned approximately US\$ 2.8 billion in the year of 2010 and created nearly 35,000 jobs both directly and indirectly. This paper, based on primary and secondary data sources, seeks to study the socio-economic issues and implications surrounding the development of the integrated resorts in Singapore.

Keywords: Integrated resorts, Singapore, development, implications

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Migration and inter-industry mobility of UK graduates: Effect on earnings and career satisfaction

University graduates are a special category of job seekers in that they are highly educated and, as the literature on graduation migration has shown, also highly mobile. These characteristics mean that graduates are especially interesting for the analysis of regional economic growth. There is also a great deal of policy interest in the career paths of graduates, particularly in the light of recent government changes to the higher education system in the UK. This paper extends the existing literature on graduate migration in three ways. First, we study the impact of both migration and industry change on the career outcomes of recent graduates, and analyse how personal characteristics affect both the migration strategy and the outcomes. Second, we move beyond a focus on monetary rewards to also consider the effects of migration and industry change on career satisfaction, which has been shown to be an important consideration for highly skilled workers. Third, we allow for sample selection in both migration and industry change and estimate a multinomial treatment effects model. We analyse the relationship between migration and inter-industry mobility using longitudinal microdata on 5,000 recent UK graduates who finished their studies in 2002/03, and who were surveyed 6 months and 3 ½ years after graduation. We define migration as a move of more than 15 km from the location of employment, and analyse the effects of a locational move in conjunction, or in the absence of, a change in industry. We allow for the possibility of selection bias, whereby unobservable characteristics may lead graduates to both change their location and/or industry, and earn a higher or lower salary, by estimating a treatment effects model with multinomial choice. Our results indicate that the effect on both earnings and career satisfaction of a change in location is positive, and there is a strong negative effect associated with changing both location and industry. The results also show that the subject of study is an important determinant of both migration choice and career outcomes for UK graduates.

Keywords: Inter-regional migration, earnings, self-selection, graduates

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The role of fiscal policy in financial stability: Evidence from G-7 countries

There exists a vast literature on the optimality of monetary policy rules, but little attention has been given to the issue of monetary-fiscal policy interactions. A number of researches have investigated the dependence between fiscal and monetary policies using the Dynamic Stochastic General Equilibrium (DSGE) models, or game theoretic models. Unfortunately none of these models have been tested empirically other than Muscatelli et al. (2003). In this study we extend the current DGSE models to include a wider range of fiscal policy transmission channels. We explore the role of fiscal policy in contagious financial crises. To the end, we use the model proposed by Ahn and Tsomocos (2010) (AT model) and calibrate it using the macroeconomic data of G-7 Countries: Canada, France, Germany, Italy, Japan, United Kingdom and United States. The AT model incorporates heterogeneous banks and endogenous default, thus allowing various feedback and contagion channels to operate in equilibrium. This model leads to different results from those which employ a standard representative agent model. Our model indicates that there may be a trade-off between efficiency and financial stability, not only for monetary policy but also for fiscal policy. Moreover, agents who have more investment opportunities can deal with negative shocks more effectively by transferring 'negative externalities' onto others whilst traditional models could not discern such behaviors. Since the model extends to an infinite horizon setting, we are able to access how the model conforms with the macroeconomic data. The focus of this research is on the way in which inertial policy rules interact with inertia in the structural model caused by the presence of financial frictions. Results drive us to conclude that, since the model performs satisfactorily, it can be readily used to access financial stability in other countries or even in smaller regions given its flexibility, computability, and the presence of multiple contagion channels and heterogeneous banks.

Keywords: Banking system, DSGE, financial stability, fiscal policy, G-7 countries

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De-Russification of rural areas in Russia?

The Russians have finished the demographic transition much earlier than other peoples of Russia. Moreover in the "Russian" regions out migration from rural areas to towns was more intense than in the regions inhabited by other peoples. Therefore the share of Russian population constantly decreases in the rural areas of this country. Before the 1990-s it was mainly due to the decreasing share of "Russian" regions and just rarely in the "Russian" regions of recent development. For example, since the 1960-s the Russians living in the eastern part of the Stavropol Krai left their villages for towns and they were replaced by the Darginians from the Dagestan Republic. But since the 1990-s non-Russian peoples began to move to "pure Russian" regions of the country. For example, in 2008 the following peoples were engaged in agriculture in one of the districts of the Tula oblast: 1)Koreans from Central Asia (as organizers) and Uzbeks (as workers) – in hothouses where they grow onions, carrots, green herbs (from May to September); 2)Chinese workers, also in hothouses but all year round; 3)Avars (people from Dagestan) who raise lambs in Dagestan and Kalmykia, then fatten them and sell the meat in Moscow; 4)Gagauzes (from Moldova) - the whole families migrate and they have special education as engineers and agronomists. All these peoples do not account for the majority of population but they produced rather large and each year increasing share of agricultural products. Thus both rural population and agriculture on Russia are becoming more and more "non-Russian".

Keywords: Russia, rural areas, population, agriculture

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Interregional production networks and trade liberalization: The case of the EU-Korea Free Trade Agreement

The final conclusion of the interregional free trade agreement (FTA) between the European Union and South Korea in late 2010 can be seen as a major breakthrough for the liberalisation of trade and investment between two large actors in world trade. It is also the first comprehensive trade agreement between the EU and an Asian country. This agreement can be seen in the light of the rapid growth of bilateral and regional trade deals in the world in general, but in Asia in particular, as a direct consequence of the failure to conclude a multilateral agreement within the framework of the Doha Development Agenda by the World Trade Organisation. The EU-Korea FTA is in this context also a forerunner to similar initiatives between the EU and other Asian countries. Negotiations take at present place with India, Singapore and Malaysia, and there are also indications of the opening of talks with Japan. This study aims at contributing to the theoretical understanding of how the liberalisation process of international trade affects the decision-making of location of production and the choice of suppliers at the firm level. By analysing the existing trade and investment flows between the EU and Korea, it is possible to throw further light of the process of 'the second unbundling', a term used by the trade economist Richard Baldwin to describe how 'factories are unpacked and the tasks spread out across the world.' (Baldwin, 2006). The transformation to 'trade in tasks' replacing 'trade in goods' where different work tasks related to physical production can be dispersed to different geographical locations, and thus become traded commodities, will also change the theory of the geography of international trade. One major development is in

this context the closer integration between physical goods and invisible services in the new trade theory. By using these new concepts in an empirical example of the recently concluded FTA between the EU and South Korea, the paper demonstrates how the global production network approach to the geography of international trade flows can be applied and used in policy-making, as well as in the strategic management of the international firm.

Keywords: Trade, free trade agreement, EU, Korea, global production network

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KIBS and the city: Vertical disintegration and urban density in Milan

A recent strand of the economic literature has emphasised the role of services, and in particular knowledge-intensive business services (KIBS), as a primary source of knowledge creation and diffusion. Since this transferring process often occurs through strong face-to-face interactions between users and suppliers, the role of spatial proximity becomes crucial. Theoretical and empirical literature show that the geographic concentration of industry induces firms to vertically disintegrate their production, due to the lowering of transport and governance costs as well as to the reduction of opportunism in managing (complex) transactions (Helsley-Strange, 2007). However, the evidence is primarily based on manufacturing firms, whereas little or no attention is given to service firms. In this paper we try to fill this gap by assessing the effects of different measures of spatial concentration on KIBS firms’ vertical disintegration within the local labour system (LLS) of Milan. The data we use are drawn from AIDA, a commercial database collected by Bureau Van Dijk and gathering information on balance sheets data as well as longitude and latitude of Italian joint stock companies. Relying on this rich firm-level dataset, we build a sample of almost 12.000 KIBS firms located in the LLS of Milan in year 2008. In the spirit of Arzaghi-Henderson (2008), we first geo-referenciate our data by employing a GIS routine. In this way, we identify the exact geographical position of each firm in the LLS. Then, we define a set of rings moving out of increments of 250 metres, and we count the number of firms located within each ring. Following Holmes (1999), we define two variables measuring geographic concentration of KIBS industry. For each firm, we compute, ring by ring, the number of neighbouring firms that are in the same four-digit industry, and the number of firms that are in all the four-digit industries except for the one in which the firm operates. In this way, we estimate the impact of proximity-based specialization Vs diversification economies on KIBS firms’ vertical disintegration, exploiting information on the actual distance between each pair of firms in the sample. As additional regressors, we also include firm size, age and their squared terms. Our dependent variable, instead, is calculated as the share of business services actually purchased by firms over total production costs. This purchased-inputs variable allows accounting for the fact that “many business services are likely to be exactly the kind of locally produced intermediate input that producers in localized areas will have greater access to than producers in isolated areas” (Holmes 1999, p. 316). Preliminary results show that KIBS firms vertically disintegrate more if they are located in a dense urban area and that agglomeration externalities tend to decay relatively fast in space.

Keywords: Agglomeration, KIBS, GIS, Milan, vertical disintegration

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City branding as a response to global intercity Competition

Globalisation is a gradual macro-structuration of world order which implies a development towards a world-scale systemic interdependency. In such a process real exchange and interactive relations and people’s orientation bases become global and consequently boundary-eroding as they crumble institutional boundaries of territorial communities. This, in turn, is why globalisation is changing dramatically the context of local communities as well as the premises of local development policy. Due to increased cross-boundary flows of resources city governments have become more concerned with global economic development than they have ever been before. In a way, they are becoming networked cities with their strategic task being the adjustment of urban communities to the conditions of global economy. Creating successful responses to global intercity competition is essentially both governance challenge and a challenge of strategic positioning. One of the aspects of the latter is, as a part of wide range of place promotion activities, city branding, i.e. a conscious attempt of governments to shape a specifically-designed place identity and promote it to identified markets. The objective of this presentation is to describe how globalisation, service transformation and related intercity competition pose challenges to the development of cities with a special view to place promotion and city branding. A primary attention is paid to specialisation and profiling of cities (city brand typology) and related strategies designed to attract resources from the global flows of values. The ability of cities to effectively attract external resources – especially in the areas of high-value adding activities – determines to a large extent their position in the global urban hierarchy, which both reflects and conditions their overall attractiveness and capability in the

globalised environment.

Keywords: Globalisation, city government, city branding

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Thinking food safety in Japan: A case of the Mikasa Food scandal

The Mikasa Foods improper rice distribution scandal caused serious damage in food industry in Japan. First, a small amount of tainted rice could move over long distances and diffuse over wide areas through the current complicated food supply system. The industry most affected by this was traditional Japanese sweets. It can be said to be a structural weakness of today's highly complicated and immense food supply system. Second, answers to the industry group questionnaire indicated that even local businesses not on the list experienced declines in sales or had to close down. In this viewpoint traditional Japanese sweets manufacturers were also particularly serious cases, as they have more frequent and more direct contact with consumers than do sake brewers and others. Indeed it is important to disclose information about the actual distribution routes of tainted material to prevent harmful rumors from spreading. However, disclosure of information and harmful rumors are two sides of the same coin and the latter cannot be eradicated. Therefore, in practical terms, clarification of where responsibility lies for the incident, taking remedial action and paying restitution, can be effective in reducing risks to, lightening the burden on related parties, and improving the safety of the food distribution system. Third, from the questionnaire directed at vendors, not only business operation problems, such as declines in sales of over 50% and it taking over one year for sales to recover to the level prior to the incident, many suffered reputational damage, libelous claims, a cynical attitude on the part of media companies and inappropriate reactions by the relevant authorities. It is important to take into consideration vulnerable parties, as represented by traditional Japanese sweets manufacturers, that are on the periphery of food supply systems. It has been found that those with a lack of differentiation of manufacturing and sales, who use a wide variety and low volume of food materials, carry out business on a local scale, and who have a small scale business, get damaged the most.

Keywords: Food safety, Japanese sweets manufactures, the Mikasa Foods, scandal, food chain

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Unequal pay or unequal employment? What drives the self-selection of internal migrants in Germany?

From a theoretical perspective, the Borjas model on the self-selection of internal migrants (1992) hypothesises that skilled workers should be attracted to regions that best reward their abilities by paying high wage returns to their skills as captured by a high wage inequality. In the case of Germany, convergence in the relative wage inequality between the eastern and western part of the country should thus have decreased the selectivity of east-west migration. However, we observe the opposite, suggesting a minor relevance of a wage-based selection mechanism. One underlying reason could be that central wage bargaining in Germany prevents a flexible wage adjustment at the regional level, particularly for unskilled workers. In such a context, the analysis of migrant selectivity should be based on an extended framework in the manner of Harris and Todaro (1969) that allows for regional differences in employment chances. Since unskilled workers are the ones most prone to unemployment, regions with a higher employment inequality penalize unskilled workers and should thus attract predominantly skilled workers. This paper therefore suggests that regional differences in employment inequality may be a missing link to fully explain skill-selective migration in a context where wages are rather inflexible at a regional scale. Hence, we extend the Borjas framework to allow for a selection mechanism based on both wage and employment differentials. Secondly, we estimate an extended migration model for gross labour flows between 27 German labour market regions that controls for regional differences in both the wage and employment distribution. Thus, instead of conditioning on the regional unemployment rate, we capture not only the average risk of being unemployed, but also allow regions to differ in how this risk is spread among the local workforce. Furthermore we distinguish between selection based on observable and unobservable skills and show that the type of selection depends on which measure one takes as a basis. The findings suggest that, compared to skilled migrants, unskilled migrants avoid regions with a relatively high employment inequality among the local workforce. As expected, the average skill level of a migration inflow thus increases the higher is the employment inequality in the destination compared to the origin region. Unlike Borjas, Bronars and Trejo (1992), only skilled workers are attracted to regions with a large wage inequality, while unskilled workers do not respond to such differences. Thirdly, as an additional step, we explicitly look at internal migration between eastern and western Germany. Apparently, the high skill level of an average West-East migrant and the relatively low skill level of an average East-West migrant may partially be attributed to the higher employment inequality in eastern compared to western Germany.

Keywords: Internal migration, self-selection, employment chances, Borjas model

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Diversity, innovation and globalization: A new context of regional innovation systems for constructing regional advantage

In the last decade researchers have begun arguing that the future competitiveness of advanced, developed nations will be built on diversity and variety and not on specialisation. This runs against traditional cluster research and policy based on the exploitation of specialised localisation economies. Krugman concluded that his New Economic Geography approach was not any more relevant for analysing developed economies as they had moved towards diversity as their primary competitive advantage. Boschma has demonstrated that firms and regions basing their activities on related variety, are the most innovative and competitive. Lundvall has maintained that firms combining the STI and DUI modes of innovations perform best, and, Laursen and Salter have shown that firms sourcing broadly from both R&D and experience based knowledge are the most innovative. Lastly, Florida argues that large city-regions demonstrating strong urbanisation economies are the most innovative and competitive locations due to their openness, diversity and tolerance, which attract the highly educated 'Creative Class' favoured by high-tech and creative industries. Innovation systems are both selection environments and sources of new variety creation. The innovation system approach, developed in the late 1980s, place innovation at the centre of economic growth. It advocates continuous upgrading of productive capabilities and an active role of government in shaping selection processes and stimulating creativity. It represents a shift from a linear view on innovation to a policy approach that views innovation as an interactive process in which many different stakeholders take part. Therefore it is also the first policy approach emphasizing that a systematic long term relationship between university, industry and government can play a strategic role in the promotion of innovation and competitiveness. Regional Innovation Systems (RIS) constitutes a strategic instrument in the implementation of regional innovation policies of constructing regional advantage. Innovations occur through new combinations of existing knowledge, skills and resources. As evolutionary theory suggests, the broader and more diverse the knowledge bases the larger the scope for innovation. In all except possible a few very large economies the most important source of variety in the knowledge bases will be found abroad. The ability of entrepreneurs and firms of a country to tap into global networks of knowledge and use it productively (open innovation) will in many cases be at least as important as the creation of new knowledge at home. Thus, the global dimension of distributed knowledge networks has increased dramatically in importance over the last decade. This means that it is more than ever vital for policy relevant research to understand how globalization interacts with nation-, sector-, and region-specific conditions in affecting competitiveness and innovativeness. Arguably, an efficient knowledge economy is based on regional innovation systems with a high degree of openness and diversity, not only concerning knowledge strictly defined, but also with respect to tolerance towards the cultural, religious and ethnic characteristics of the carriers (e.g. entrepreneurs and researchers) of that knowledge. The context of the globalizing knowledge economy, thus, represents important challenges for research on and policies of regional innovation systems for constructing regional advantage.

Keywords: Diversity, innovation, regional innovation systems, constructing regional advantage

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Regional connectedness and growth: An empirical analysis in the case of Turkey

This paper aims at investigating the relationship between regional connectedness and growth. In their recent study, Kali and Reyes (2007) found that a country's position in international trade network has substantial implications for its economic growth. In fact, a country's position in a global network is the result of cumulative efforts of the regions constituting that country. As we know, the spatial distribution of economic activities is (more or less) uneven in almost every country and there are considerable differences across regions. If the world is indeed becoming 'flat' with the expansion of trade, the internationalization of firms, the galloping process of outsourcing and the possibility of networking (Friedman, 2005), what is happening to the regions within a country in this process? If the supposedly 'flattening' process at the global level is taking place among a handful of prominent centres or agglomerations in each country rather than participated by majority of them, can we still talk about a 'flat' world? In this respect, regional connectedness appears as an important issue to examine from the perspective of economic geography. In this paper, we focus on export linkages as they are considered as reflecting connectedness. The primary data used in this study are the export figures of Turkish provinces (NUTS3 regions) between 2002 and 2009 and we constructed a 2-mode-network in which Turkish provinces occupy the rows and countries to which are exported are placed in columns. Applying the methodology used by Harrison (1996), Yanikkaya (2003) and Kali and Reyes (2007) at the regional level, a growth model is estimated in which a region's GDP or income per capita growth is a function of initial GDP conditions, physical capital, human capital and a vector of control variables that represent region-specific characteristics. The novelty of our analysis is that network measures will be added to the estimation model, namely node degree centrality and

node influence.

Keywords: Regional connectedness, growth, 2-mode network, Turkey

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The effect of agglomeration on manufacturing labour productivity in Korea

This paper investigates the agglomeration effect in urban labour productivity in manufacturing sectors. The labour density and output density are measured by total area of cities and factory site divided by each of the total number of labour. We use panel data analysis with 200 Korean cities for five years (2004-2008). The results of the study show that urban labour productivity is determined by traditional inputs of agglomeration economies. More specifically, we found that labour density calculated by total area of city had negative effect on urban labour productivity. On the other hand, measuring by factory site the results indicate that negative externality is generated by commuting cost and congestion in large city.

Keywords: Urban agglomeration, productivity, labour density

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Territorial social- economic structures: The basic object of economic geography

Territorial social-economic structures (TSES) are distinguished as combinations of social (population groups) and economic (enterprises, economic objects, infrastructure constructions) components interrelated with each other and with the territory by various relations and interfaces. TSES can be distinguished within the limits of any developed territory. We (Baklanov, 2007; and others) developed the approach to allocation and analysis of territorial structures of economy on which TSES is based. Any territorially compact enterprise or company can be chosen as a "benchmark", a central component of territorial structures of economy. Then all really existing structural links which are formed in realizing all ties and interfaces of this enterprise with other economic, social and infrastructural components and the territory for a certain period of time, for example, for one year are being allocated. In this case all combinations of economic and social components and also their interrelations among themselves and the territory are covered and factually are distinguished by TSES. Structures formed by relations and interfaces of territorially compact enterprises are primary. One part of their structural links becomes isolated within a separate settlement, whereas another part enters other districts and even countries. In generalizing a certain industrial knot or a settlement as a whole can serve as TSES "benchmark". Its real relations and interfaces as well as territorial zones of influence form generalized TSES where separate settlements are social and economic components. In this case relations and interfaces between separate economic and social components of settlement both internal structural links and external, i.e. ties and interfaces with other settlements are distinguished. Social-economic regional structures, including social and economic relations and interfaces in districts and between districts, can be referred to higher generalization level. The following properties of TSES can be singled out:

- structural similarity;
- inertia, stability and dynamics of separate links and their components;
- spatial convergence and crossing of separate links of TSES;
- presence of potential structural links of TSES.

We (Baklanov, 1986, 2007, and others.) developed quantitative estimations of various links of TSES and their properties. Allocation of TSES of various types within a certain territory allows us to estimate and analyze more strictly various variants of development of these territories. Coverage of various relations and interfaces in TSES permits to distinguish the whole chain of development or recession, the stages of crisis originally proceeding from one or several components of TSES. Since in TSES through various ties and interfaces practically all social, economic and natural-resource components of the district with their territorial zones of influence are covered or can be covered, distinguished TSES are more comprehensive object of social and economic geography.

Keywords: Territorial social-economic structures, components, relations and interfaces

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Pacific Russia: Preconditions and sustainable development problems

Pacific Russia is distinguished from the eastern districts of Russia by an important role which sea factors play in the regional development and by considerable economic-geographical vicinity to the Pacific Ocean. This region, as well as Russia as a whole, in the 2000s has experienced rather stable tendencies of economic growth. In 2009 the region was involved in a global economic crisis. In 2010 economic expansion has begun. Despite fluctuation and cycling of economic development, regional programs should be oriented to achievement of sustainable development. We (Baklanov, 2001, 2009) understand the last one as a long-term development of the region with a gain in economic, social and ecological qualities of regional development. The basic preconditions of a sustainable development of this region are as follows: big natural-resource potential, including various sea natural resources (biological, oil and gas, recreational, mineral, power, etc.); unique economic-geographical and geopolitical position of the region; as well as considerable accumulated infrastructural and scientific-educational potentials. Within the Pacific Russia we (Baklanov, 2001, 2010) distinguished specific contact geographical (territorial – water area) structures in the zone of interaction of a dry land with the ocean and also in trans-boundary regions (the basins of the Bering, Okhotsk and Japanese seas, in the Amur River watershed and others.) where territories and water areas of different countries are located and interact. Various contact functions are being realized in similar contact structures in interacting between a dry land and seas and oceans, in interacting between different countries. Presence of contact structures and functions is the most important precondition of sustainable development of Pacific Russia. The basic problems of sustainable development of the region are as follows. Underdevelopment of the territory and small quantity of population (about 6, 5 million people); its related narrow home market; entrance of many territories and water

areas into trans-boundary regions with their specific problems; a large proportion of the territory and water area are characterized by extreme natural-climatic conditions (low temperatures, permafrost, high seismicity, typhoons and storm, flooding, etc.). To achieve sustainable development, it is necessary to elaborate long-term regional program with the rationale of the variants which will provide the growth of economic, social and ecological qualities of regional development. It is advisable for trans-boundary regions, including the basins of the seas and the rivers, to elaborate special international programs of sustainable development and to organize the systems of international trans-boundary monitoring. We conducted generalized estimations of possible changes of territorial structures of economy of Pacific Russia by 2025-2030 at the level of krais and oblasts of the region and certain economic centers taking into account realization of large investment projects. Realization of over 30 investment projects related to preparation for Summit ATEs to be held in 2012 has been evaluated.

Keywords: Pacific Russia, sustainable development, economic-geographical and geopolitical position, trans-boundary region

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Localism in the face of globalization processes

Recent years have witnessed waves of peculiar protest against globalization and its effects—such as copying the same patterns, disintegration, deterritorialization and unification— which has been manifested in the form of spontaneous antiglobalist and alterglobalist social movements that advocate and extol solidarity, humanism and local values. These social movements do not necessarily negate all the globalization processes, but expect these to take on a more human face as well as to take account of diversity in a local dimension. Nationalist and separatist movements, in turn, are at diametrically opposite ends of the spectrum of forces that oppose globalization. The concept of globalization is full of paradoxes. On the one hand, we as a world community have gained a universal access to unlimited information resources, a free communication; also, we may develop our qualifications and freely choose goods and services. No doubt that geographical space has significantly shrunk. On the other hand, however, globalization has become a source of socio-economic polarization for the world. In line with the axiom: “the rich become richer and the poor poorer”, the peripheral areas are becoming increasingly dependent on the core areas. This situation leads to a growing social opposition, and as a beneficial consequence of that there is a growing awareness among local communities as well as a restoration of their local identities. At the opposite pole of globalisation is localism. At the root of the former lies the concept of liberalism which affirms a free market and competitive economy, whereas the latter is based on the idea of communitarianism which extols the virtues of self-determination and empowerment of local communities. There exists a positive feedback between globalisation and localism; it can be asserted that these are complementary and mutually reinforcing. Globalisation has dominated the processes going on currently in the “local environment”. This situation leads to polarization of the main localism characteristics and of the current mechanisms occurring in the local life. As regards social life, new cosmopolitan identities are becoming increasingly strengthened, a break from tradition is getting more and more evident, and there is an increasing prevalence of anonymity. On the other hand, these processes bolster the sense of awareness, identity and territorial integration. Concerning local cultural developments, an expansion of popular mass culture and absorption of the new cultural models are rapidly progressing worldwide. Our tastes are being shaped by radio and television which feed us with global entertainment programmes and determine what is trendy these days. However, that cultural unification is met with opposition and a reverse trend is observed, i.e. a revival of local or national cultural sources, providing support for local cultural initiatives and promoting local cultural developments. Within the current economic conditions, local producers are gradually being ousted and a new generation of “standard” customers is being created (McDonaldization). The global producers, through global advertisements in global media, are moulding the local consumers. At the same time, there is a growing awareness of the necessity for protection and promotion of local products. Concerning the political realm, the position of particular states is being weakened in favour of the global institutions. That situation leads to a rebirth of local ethnic nationalisms and separatisms, often as a result of justified concern over a dominant position of “the more powerful ones”. Paradoxically, the global processes contributed to an increased interest in the microeconomic character of globalization. For example, in the European Union countries a new paradigm of regional development policy is now being shaped, which, to a larger extent than before, takes account of local uniqueness. That policy points to the importance of: endogenous potential, diversified approach to different types of territories, decentralization of decision-making as well as to functionally-oriented approach to territories. These all are to be accompanied by a growth in competitiveness and territorial cohesion.

Keywords: Globalization, localism, local development

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New trajectories in corporate geography: From geographical industrialization and global production networks to corporations as disciplinary institution

In a 2003 opinion piece in *Progress in Human Geography*, Phillip O'Neill asked, "where is the corporation in the geographical world?" O'Neill was highlighting the import roles of corporations in structuring contemporary socio-spatial relations, but also the relative lack of research on corporations in human geography. This paper responds to O'Neill's agenda setting piece by noting different trajectories of research in corporate geography over the last ten years. While many continue to study corporations through frameworks of geographical industrialization and global production networks, some of the most interesting research on corporate geography focuses on the political, legal, and disciplinary dynamics of corporate power in the contemporary global economy. Drawing from these discussions, this paper charts a new trajectory for research into corporations, highlighting their role as disciplinary institutions. This perspective provides a framework for considering corporate economic power in relation to its political, cultural, and social dimensions, while also opening possibilities for progressive responses to contemporary corporate power.

Keywords: Corporate geography, corporations, disciplinary power, networks, industrialization

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*Clusters and economic development advantage in a knowledge-based -economy***

The concept of specialized industrial agglomeration has a long history. It is since industrial revolution, when specialized related industry will localize in close access to resources. Over the past three decades the emphasis has been on interconnectedness of agglomerated firms. This new concept is commonly known as clusters and has become very popular among policy makers and academics. Clusters are associated with network of innovative firms and supporting institutions located in close proximity, which are believed to encourage innovation. Considering apparent advantages of clusters in some geographic localities such as Silicon Valley, Route 128 Boston, South East England, Helsinki Finland, (and others) and potential benefits for constituent firms, almost every region in the developed and some in developing world, regardless of their technological path dependence and endogenous potential, is trying to develop high-technology (bio-technology, nanotechnology, photonic, ICT or other) cluster. I argue in this paper that there is no one general shape and form of cluster, which can be replicated around various regions in the world to enhance innovative output. Each place due to its unique sets of attributes and stages of economic development will have different requirements for cluster development and may develop different form of clusters. The paper argue that for locations, associated as lagging behind regions, after the carefully assessment of their developmental stage and endogenous innovative capacity will first need a policy treatment, with a purpose to prepare them for a cluster oriented policy intervention. It would be equally possible that a region might after careful assessment, consider to have taken a different approach from cluster development to construct its comparative economic development advantage. A bottom up and top down strategy of regional economic development investigation need to be adapted before any policy intervention like cluster policy can be applied. The development of cluster and its economic advantages to location paper argue are endogenous, and are dependent on various factors including path dependency, local institutional leadership contributions, exogenous shocks specifically affecting this particular location and entrepreneurial leadership contributions over time. We argue that these locational constructed (over time) economic advantages are unique to the location and cannot be imitated by other locations. Firms in different industrial sectors gain different level of competitive advantage by locating in related industry cluster and not all firms in a given sector of activity need be clustered. The paper argues that shaping of an economic development policy, with a focus on innovative industrial cluster; need to be a conscientious process. Regional path dependence, indigenous capabilities, external (national and global) economic environment are all important factors which need in depth consideration. A whole-hog investigation of attributes and characteristics which are unique to the region, and external policy interventions which can compliment to regional unique characteristics, can inform the regional policy regimes to take a course, which can be credible for producing positive outcomes.

Keywords: Cluster, regional economy, innovation, policy

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*Securitization's travel log: Sukūk and the development of Shari'a-compliant structured finance***

This paper adds to a growing body of literature that deals with the geographies of financialization. In particular, we aim to map the geographical diffusion of securitization as a key structured finance technique. Earlier research has contributed to the mapping of the first steps in the spreading of securitization as an idea, technology, and investment vehicle through developed capital markets (e.g. from the US to the UK from the late 1980s onwards). This contribution explores how securitization travels outside well-established capital markets, and into 'emerging markets'. Our particular focus is on Shari'a-compliant structured finance products, such as asset-based/backed notes (sukūk) in Islamic markets – markets that are growing rapidly in the Gulf region and Malaysia. Through this take, we aim to address how securitization structures have been altered to fit with the

sensitivities of Shari'a and to pinpoint where and by whom financial innovation in Islamic securities markets is produced. Empirically, the results illustrate huge geographical differences between core Islamic markets. Malaysia is primarily identified as a 'domestic' market, run by national private and sovereign financial institutions. Gulf sukūk markets are far more globalized, with European and U.S. investment banks forming securitization assemblages with regional Islamic banks. Conceptually, the historic-geographical construction of securitization suggest the existence of a process of 'financial acculturation' as securitization models are molded to fit the needs of variegated legal, cultural, and religious contexts.

Keywords: Emerging markets, Gulf cities, Islamic finance, financial geography, neoliberalism

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Institutions, institutionalization and economic interaction in local and global context: A relational perspective

This paper aims to develop a consistent perspective of how institutions can be usefully conceptualized in investigations of economic action and interaction in local/regional and cross-regional/global context. While much work in economic geography applies an implicit understanding of institutions, this paper generates an explicit conceptualization that integrates approaches from different fields of the social sciences. We view institutions neither as organizations nor as rules, but conceive institutions as stabilizations of mutual expectations and correlated behavior. We discuss how economic interaction in space is shaped by existing institutions, how this leads to economic decisions and new rounds of action, and how their intended and unintended consequences support institutional adaptation that impacts future motivations and action. As such, we conceptualize a reflexive rather than a dualistic relationship between economic action and institutional settings. Institutions are viewed as mediators between the micro and macro level and the local and global scale of economic action. Instead of viewing institutions as pre-defined structures, we describe how institutions emerge in a contextual, path-dependent, yet contingent way using the example of market-making. Once in place, however, powerful economies support institutional hysteresis establishing structures of relationships that resist sudden and radical changes. We discuss the tensions between institutions and innovations to develop a relational perspective of how institutions can guide technological change while minimizing the risk of lock-in processes.

Keywords: Institutional change, institutional hysteresis, economic interaction, innovation, relational perspective

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Global cluster networks: Diverse spatial foreign-direct investment patterns between Canada and China

In the past decade, studies in economic geography and regional economics have suggested that regional economic success, especially in industrial agglomerations, can only be realized if local/regional linkages and networks are combined with cross-regional, trans-local and global contexts, which provide access to wider markets, pockets of knowledge and new technologies. Although theories of firm internationalization, economic clusters, global production chains and global cities have long argued that local and non-local (or global) spheres are systematically inter-linked with one another, there is still little knowledge about the wider global patterns that are created through trans-local economic relationships. We do not know what kinds of connections are established in different industries that link different types of economic regions internationally, whether firm-specific networks collectively serve to generate global cluster networks, or whether no such patterns develop at all. In our empirical analysis, we investigate the spatial patterns of nearly 300 cases of foreign direct investments between Canada and China in the period from 2006 to 2010. We develop a consistent typology of cities/regions and clusters for both countries and identify relationships between the source and target regions of such investments. From this, we draw conclusions about the wider spatial linkages that develop through cross-national economic interaction and the role of global cluster networks.

Keywords: Global cluster networks, global production chains, global cities, foreign direct investments

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Globalisation and the rise of the 'new' middle class: Shifting power structures or increasing dualism?

In the past few years, considerable attention in popular press and policy reports has been given to what is considered the 'new' or 'global' middle class (see e.g. the Economist, 2009; ADB, 2010). Early 2009, *the Economist* positively stated how for the first time in history more than half the world can be considered middle class- thanks to rapid growth in emerging countries. The focus on the middle class and policies for promoting it is rooted in the belief that the middle class is an important prerequisite for stronger, more sustainable economic growth and development (ADB, 2010). No matter what definition one uses, there is a sizable middle class in Asia- one that has grown rapidly in the past 2 decades (ibid.). This paper examines the discourse on 'new'

middle class formation and whether the ‘new middle class’ concept is used as a metaphor to reflect changing power structures in the world associated with the rise of new economic superpowers and the relative decline of traditional (‘old’) western middle classes. The ‘new’ middle class is often associated with the rise of the BRIC-economies as well as other emerging markets as main places where new (middle class) consumer power is located. However, much of the new middle class remains extremely vulnerable to falling back into poverty (ADB, 2010). In the second part of the paper, empirical evidence from Manila and Mumbai will be used to identify the driving force behind ‘new’ middle class formation and whether at local level it leads to increasing dualism (and consequential social polarisation) within urban labour markets between people who benefit from the new economic opportunities and those who are confronted with various forms of exclusion. The shift towards non-manual knowledge work (requiring higher level skills and qualifications) leaves those without the ability to adapt to these changes no other choice than informal, low-paid and unstable work in the labour surplus domestic economy. As such, with the rise of the ‘new’ middle class in developing countries, a new geography of centrality and marginality shows up in the globalizing cities in the South.

Keywords: Middle class formation, economic dualism, BRIC-countries, geography of economic transition

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Creating just growth: Regions, epistemologies and new economic paradigms

There is a growing recognition in at least some main-stream economic circles that inequality in the U.S. is a threat to global economic growth; both former World Bank chief economic Joseph Stiglitz and former IMF chief economist Raghuram Raja, for example, have recent books linking U.S. income inequality to the recent Great Recession and argue for a ‘new capitalism’ with more targeted government interventions to regulate markets and expand opportunities for low and middle income populations. Yet these perspectives lie in stark contrast to the current political climate in the U.S., where substantial new regulations and government interventions are far from political reality. These perspectives also contradict much traditional economic theory, which frequently posits a trade-off between fairness and economic growth. Arguments for redistribution remain largely confined to issues of fairness or Keynesian notions of macro-economic demand stabilization. There is, however, one arena where economic arguments for coupling equity and growth at a more fundamental level has gained *both* analytic *and* policy ground in the U.S.: at the level of metropolitan regions. A growing strand of empirical research, much of it led by economic geographers but also including the Federal Reserve, suggests that patterns of regional equity – including factors such as residential integration by race and income as well as overall income equality – can have a positive effect on regional or metropolitan growth. Throughout the U.S., many key metropolitan actors – including collaboratives of business, civic and community leaders – have increasingly accepted the notion that a more inclusive society could actually improve economic growth. But what are the circumstances under which such “Just Growth” dynamics really do come together at the metropolitan level and what social and political processes, particularly given the lack of regional government institutions, allow this to happen? How can the answers to these questions, fundamentally rooted in geographic perspectives on economic processes, best inform economic policy and strategy? This paper addresses these questions, building on a study of patterns of economic growth and social equity in the largest 192 metropolitan regions in the country, using a combination of quantitative and case-study research methods. While we found various structural and governance factors associated with ‘Just Growth’, perhaps our most important finding was identifying the critical role of key organizations or political institutions that help build communication and collaboration across widely different constituencies. The resulting diverse “epistemic communities” seem to help build a common sense of both regional problems and regional possibilities, helping to bring business actors to questions of poverty and social justice advocates to the needs of economic expansion. These findings, while preliminary and in need of further research, have important implications for economic geography theory and economic policy. They emphasize the embeddedness of economic policy and decision making in epistemic processes. They suggest the potential value of diversity in epistemic communities and of face-to-face trust building within regional economies in creating growth strategies that are fundamentally rooted in more equitable social structures, and equity strategies rooted in promoting particular types of regional economic growth trajectories.

Keywords: Regions, regional equity, epistemic community

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The impact of the financial crisis on the German knowledge economy

The financial and economic crisis of the years 2007-2010 caused a strong decline in the world’s economic growth. Taking a relational perspective, we examine how the crisis is affecting the networks of multi-national operating firms. Advanced Producer services such as finance, accountancy, and export-oriented sectors

like chemistry, pharmacy, construction, and automotive production were most affected, and they are well represented in Germany. Except construction, these areas constitute part of the knowledge economy, which can be defined as an interdependent system of Advanced Producer Services (APS) and High-Tech firms, combining highly specialized knowledge and skills from different parts of their value chain in order to create innovation and to sustain competitive advantage. The cyclical nature of the financial crisis reveals structural weaknesses in the world's economic system. Great disequilibrium is to be seen in national trade balances. The erstwhile high consumption of United States in previous decades, from which the German exports benefitted, has declined drastically. At the same time the emerging markets in Asian countries have entered the global arena. We assume that there will be a great change for the firms in the knowledge economy. On one hand, they tend to satisfy the broadening demand in these emerging markets. On the other hand, new centers of innovation will continue to appear. Regions with high employment in export-oriented sectors have been affected most. To evaluate how these changes influence the firms' strategic planning and their intra-firm networks, we provide answers to the following questions. Firstly, how can the effects of the crisis be assessed? Secondly, how strong are the impacts of the crisis on the knowledge economy? Finally, how are agglomerations in Germany performing during the crisis and how will they recover? The aim of this paper is twofold. Firstly, we present insights into the spatial patterns of the networks of the 480 biggest knowledge intensive firms in Germany and on which spatial scales these firms operate. Secondly, based on these preliminary results we elaborate a framework to examine the impacts of the crisis. We analyze intra-firm networks before and after the crisis by network analysis and combine these results with methods of geospatial statistics to evaluate the crisis' effects on employment and gross value added. In addition, insights gained from interviews with managers of knowledge intensive firms will be included. Interim results show that emerging markets on the Asian continents already play a relevant role for High-Tech firms. Traditional centers of globalization like New York and London are still on top of the hierarchy within advanced producer services.

Keywords: Knowledge economy, Germany, crisis, networks, economic growth

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Geographies of marketization

In spite of almost four decades of market-based policies, real markets have been largely treated as a black box in economic geography. Locked up in abstract models, overlooked in favor of production, untouchable for normative reasons and dissolved into networks of social relations, markets were rarely addressed as an object of inquiry. Connecting with a growing body of literature that investigates processes of market-making, we call for intensified efforts to better understand how real markets are produced, stabilized, and fall apart. Focusing on the spatialities of these processes, we introduce a perspective which is tentatively labeled "geographies of marketization". Informed by actor-network-theory, social studies of economization, political economy and ethnography we propose and illustrate two dimensions that are interwoven but address different problems of translation. The first deals with the question of societal transformation and is referred to as markets as discursive borderlands. Here, emphasis is put on the "extension of market agencements" on a meso- and macrolevel. On a more microgeographical scale the second dimension examines how concrete markets as socio-technical "agencements" are designed, implemented, maintained and reproduced. Referring to this dimension as framing of markets, our attention turns to the practical assemblages needed to make markets work.

Keywords: Dispositif, markets, performativity

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Impact of institutions on quality management in organic food imports

Product safety, quality control and transparency in cross-border trade along the supply chain are becoming increasingly important issues, especially as chains become longer, more international and more anonymous. Within a conceptual framework combining the GPN-approach (Henderson et al 2002) and Convention Theory, this contribution aims to discuss different quality coordination mechanisms in cross-border trade by the cases of German and Australian importers of organics. It will present findings drawn from qualitative interviews with traders and industry experts held between February and October 2010. While recognising the importing companies' direct interaction with suppliers abroad as well as their involvement with other stakeholders, a central focus of analysis lies on the influence of respective national and international institutional contexts into which the importers' activities are embedded. Results show that not only 'formal' institutions such as import regulations or organic standards are important, but also that 'informal' institutional conventions such as norms and values, trust, product image or communication flows can be crucial in the decision making process of trade coordination.

Keywords: Global production networks, convention theory, institutions, organic food chains

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The challenge of structural change to economic geography

Theory and empirical work in economic geography has emphasized cross-sectional relationships—or static analysis, as well as structural change in the composition and spatial distribution of economic activity. Paradigms of change have come and gone, such as the New Economy, flexible specialization, resilience, and the cultural turn. What are the big challenges in 2011 as we economic geographers gather again to assess the state of research in our field? This paper argues that we have major opportunities to increase our visibility in the social science research community through stronger analyses of structural change locally, regionally, nationally, and globally. We have this opportunity through expansion of our sectoral focus, especially with more detail on services that have accounted for an increasing share of global employment. It is argued that economic geographers have tended to overlook the development of new types of services, such as information-oriented or culturally-related services, that have become ever important sources of employment in advanced and developing economies. As economic geographers assess research needs in the field, this paper argues that we need sound empirical work documenting structural change, as well as sound theory explaining spatial dimensions of these processes of change.

Keywords: Structural change, industry, services

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A regional model with endogenous growth through creative destruction

We examine long run growth in a two region model with endogenous growth through vertical innovations and analyse partial inter-regional and inter-varietal knowledge spillovers. We start with a simple Krugman (1991) Core-Periphery model with Agricultural and Manufacturing sectors. Quality improvements for manufactured varieties are generated in a third sector; Research and Development, such that production of each manufactured variety becomes contestable through vertical innovation as in Aghion and Howitt's (1992) model of growth through creative destruction. We define a deterministic version of the model where innovations occur in every period with the size of the quality improving innovation dependent upon the level of R&D. The movement of knowledge workers between regions, responding to differences in real wages, equalises nominal wages. Trade allows consumers in both regions to benefit from new innovative products while knowledge spillovers allow knowledge to be shared between regions as an input to new innovations. Innovation in the R&D sector involves knowledge externalities with manufacturing; therefore we assume the restriction that R&D and manufacturing occur in the same location. R&D is not tradable between regions but the innovations from R&D are used as inputs to new innovations through knowledge spillovers. Agglomeration economies in manufacturing are similar to Krugman (1991) due to transport costs and strengthened due to knowledge externalities in research and manufacturing as in Baldwin and Forslid (2000). We explore different equilibria with partial and full inter-regional knowledge spillovers. In particular we add inter-varietal knowledge spillovers, which was not possible with previous New Economic Geography and Growth models that use a Grossman/ Helpman/ Romer engine for growth. When knowledge spillovers between manufacturers and researchers for different varieties are partial, the incumbent firm experiences an advantage in research over an entrant due to the incumbent's tacit knowledge which is not shared with rivals.

Keywords: Endogenous growth, new economic geography, innovation, creative destruction, trade

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Spinoffs and M&A as drivers of spatial clustering: The evolution of the Dutch banking sector in the period 1850-1993

There is little understanding of how clusters evolve, and where. While dynamic analyses of clusters hardly exist, this is especially true for spatial clustering of service industries. We take an evolutionary perspective to describe and explain why the Dutch banking cluster clustered in the Amsterdam region. This analysis is based on an unique database of all banks in the Netherlands that existed in the period 1850-1993, which were collected by the authors. We examine the extent to which spinoff dynamics, merger and acquisition activity and the location of Amsterdam had a significant effect on the survival rate of Dutch banks during the last 150 years. Doing so, we make a first step in providing an evolutionary explanation for why Amsterdam is the leading banking cluster of the Netherlands. Our analyses demonstrate, among other things, that Amsterdam banks were disproportionately active in acquiring other banks, leading to a further concentration of the banking sector in the Amsterdam region.

Keywords: Clusters, spinoffs, merger and acquisition, banking sector, evolutionary economic geography

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Product-relatedness the emergence of new industries at the regional level

How regions diversify over time is a fundamental question for economic geographers. Based on the capability model developed by Hidalgo and Hausmann (2009), we argue that regions diversify into industries that make intensive use of the capabilities in which they are specialized. As the spread of capabilities occurs through mechanisms, such as spin-off activities, labor mobility or social networking, with a strong local bias, we expect that capabilities available at the regional level to play a larger role than capabilities available at the country level in determining the evolution of industries. To test these hypotheses, we analyze the emergence of new industries in the Spanish regions in the period 1988-2008. We calculate the capability-distance between Spanish regions and new industries, and provide econometric evidence that regions tend to diversify into industries that use similar capabilities. We also show that distance to the regional productive structure plays a much larger role than distance to the country productive structure in determining the emergence of new industries. This result points out that capabilities should be built at the local level to allow the emergence of new activities.

Keywords: Regional-branching, diversification, new industries, capabilities, Spain

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Media's role in rural economic development

The main purpose of this research was to find the rate of rural access to mass media. The second purpose was to examine the role of mass media in rural development.

The research variables were the followings: topography of villages, distance from the province, gender, literacy level, mass media programs related to villages. Data was analyzed by descriptive and inferential statistical methods and Geography Information System (GIS). The results indicated that villagers that were closer to the provincial capital and had a smoother topography benefitted from different media types like radio, television, press, internet and satellite. Furthermore villagers especially women paid more attention to television programs. Moreover, mass media did not have noticeable effect on the increase in awareness and change in economic behavior of the villagers, specific attentions should be paid to the villagers needs, participations, and regional interactions.

Keywords: Rural development, mass media, economic behavior, economic development, participations rural, Geography Information System (GIS)

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Environmental governance in global value chains: The example of trade with shrimps from Bangladesh and Indian leather goods

The relationships between trade and the environment are highly complex. Globalization critics argue that international trade spurs a regulatory race to the bottom and will lead to the formation of so-called pollution havens in the South. Whether these pollution havens actually exist has been the subject of much academic debate in recent years. However, a second line of argument stresses the point that enterprises in the South are increasingly collaborating with foreign firms through trade, subcontracting or equity linkages. These linkages can generate processes of environmental upgrading and may lead to a faster diffusion of ambitious environmental standards in the global South. A large share of commodities that are consumed in Europe and other western countries is produced in developing and emerging economies in South Asia. The production in these countries often causes severe environmental problems. Recent years have seen increasing public concern about the negative environmental impacts of Western consumption patterns and health risks caused by contaminated products. For European retailers and importers this can lead to serious business risks, e.g. due to negative media coverage or legal sanctions. For this reason, many buyers try to control the production process and to ensure that their suppliers meet the growing demands on product quality and production practices. In order to investigate these processes, this paper draws on global value chain and stakeholder approaches. On this basis, a concept of "environmental governance" is developed and empirically applied to case studies on trade in leather goods between India and Germany and on trade with shrimps between Bangladesh and Germany. The central research question investigates how and under which conditions importers implement environmental parameters within their value chains and how this affects local environmental conditions in the countries of production.

Keywords: Environment, global value chains, leather, shrimps, South Asia

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Regional development in an 'Age of Austerity'

European governments, over recent decades of economic prosperity, have implemented regional policies that sought to reduce disparities between core and peripheral regions, particularly within the European periphery. While the principle of maximising each regions potential is appropriate, we argue that the welfare indicators used (GDP; GNP; income), that focus on regional disparities in income, are inappropriate to give an accurate account of disparities in total welfare between regions. The paper questions whether the objective to achieve balanced regional development based solely on income measures is appropriate, and argues that a more holistic set of indicators that also includes social and environmental factors, would give a more accurately portrayal of total regional welfare. We employ a case study of the Irish government rebalancing initiative, namely the Irish National Spatial Strategy, which is critiqued in this regard. Additionally, in the post-boom reality facing most EU countries, the paper argues that an approach focusing on improving the regional distribution of wealth may bring about perverse policy outcomes in a shrinking economy, where the objective of policy should be on efficiency gains that stimulate growth. The paper concludes that, at this point, a 'rebalancing' policy within peripheral European regions may no longer be appropriate in terms of maximising societal welfare, and a focus on maximising efficiency within peripheral economies rather than equity may be more appropriate.

Keywords: Regional policy, balanced regional development

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The significance of and motives for firm relocations within Germany

The choice of a location is of fundamental importance for a firm. Usually it is associated with investments and relocation therefore linked with sunk costs. Theory and empirical studies suggest that it is especially young and expanding firms that relocate. This hypothesis is tested using a large and comprehensive database. It is shown that relocated firms are in fact more prosperous than those that do not move. They expand and employ highly qualified personnel more often and are distinctly younger than the vast majority of firms that have not relocated. But there also is evidence that the likelihood for closure of a business is higher after relocation. Typically firms relocate over a short distance, so the relations to suppliers, customers and employees are not strongly affected. The majority of movements are from the centre to the suburban fringe, where sites are less expensive. As many studies have already shown, however, centrality is often important for newly founded firms. Cities are ideal "seedbeds" for firms to be founded, but as the firms grow older and wish to expand, an attractive hinterland becomes important. The areas surrounding towns and cities benefit directly from the in-migrating young and aspiring firms. But the cities benefit, too, if attractive jobs and purchasing power remain in their vicinity.

Keywords: Firm-relocation, firm-age, new firms, firm demography

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Industrial development across related variety: The emergence of the Norwegian photovoltaic industry

There is widespread acceptance that processes of learning and innovation often take place in industrial agglomerations where economic actors are located in proximity to one another (Porter 1998; Maskell and Malmberg 1999). However, there is more uncertainty and disagreement on what kinds of knowledge sources and portfolios that best arrange for interactive learning and innovation. One of the current discourses in theorizing on innovation and industrial development surrounds the question of what kinds of variety; i.e. how variety and degrees of variety influence upon knowledge externalities. Recent contributions to this discourse have made a distinction between two different kinds of diversity; related and unrelated variety (Frenken, Oort, and Verburg 2007; Boschma, Eriksson, and Lindgren 2009; Boschma and Iammarino 2009). Existing studies that have applied a related variety approach have focused on labour mobility and knowledge composition at firm level and the regional level. However, the existing literature represents a limited view on the potential channels through which related variety emerges, and furthermore, the literature has not taken into account the distinct modes of learning and forms of knowledge that exists in different sectors of the economy and nonetheless beyond the economy, i.e. in public sector and in research and education. According to Boschma & Immarino (2009) there is a need for more detailed insights into how related variety may be relevant for regional development, and in-depth studies of the types of transfer mechanisms through which related variety operates is believed to contribute to our understanding of related variety. The paper addresses this identified need to go into depth on how the transfer mechanisms between related actors of the economy actually occur and take place. Through a case study on the emergence of the Norwegian photovoltaics industry, which has grown remarkably throughout the last decade (Hanson 2008), the paper aims to shed new light on how different forms of knowledge mutate

across technological sectors, knowledge bases and modes of learning. The paper seeks to understand how the development of the photovoltaics industry has taken place across industrial and regional contexts. The development of the Norwegian photovoltaics industry draws upon various sources of related sources of knowledge and technology across the chemical and metallurgic process industry, the electronics industry, ICT and logistics. It has also benefited from international research and policy initiatives that have arranged for such knowledge transfer to take place. These characteristics make this a highly relevant case in studying reconfiguration and recombination of related but heterogeneous sources of knowledge. The paper aims to add to the literature by problematizing how related variety occurs and emerges, and in this sense contribute to improve our understanding of how knowledge travels and transforms across and beyond industrial sectors and geographical borders.

Keywords: Systems of innovation, related variety, evolutionary economic geography, photovoltaics

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Location decisions of Chinese MNCs in European regions: The role of business and social networks

We investigate whether Chinese business and social networks, approximated by the size of Chinese overseas communities, affect the location decisions of Chinese multinational firms. Chinese companies can be easily overtaken by local firms which have better knowledge about the local market. For Chinese companies such knowledge is often expensive and difficult to obtain. This increases the transactions costs and business risks for these companies. Chinese communities in a host country or region can provide access to this knowledge, by functioning as a formal and information network, herewith lowering the transaction costs and business risks for Chinese companies. In addition, Chinese communities are a source of specific human capital, such as high-educated employees which are familiar with the Chinese language and culture. Especially for headquarters and sales and marketing functions, which require intensive contact with the home country, the presence of such labor pool is thought to be important. Our sample consists of firm-level greenfield investments by Chinese firms in European regions between 1997 and 2008 and we use both the information on the choice of country and the choice of region inside each country in our empirical model. Employing PPML and PPML IV methods, our results show that the size of the Chinese overseas community matters for the location decision of Chinese firms. Yet, traditional location factors, such as market potential, infrastructure, wages and taxes, remain important in the location decision of Chinese firms. In addition, overseas communities appear to be more important for the location decision of knowledge-intensive activities (headquarters, R&D) than for the location decision of activities that require less high educated workers (logistics). This suggests that overseas Chinese communities are particularly important as sources of specific human capital.

Keywords: FDI, greenfield investments, China, business networks, overseas communities

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'Contextualising' knowledge production on sub-national economic governance: A tentative comparative stock-take from Germany and Australasia

The field of global knowledge and policy transfer is dominated by outspoken celebrity academics, well-paid consultants, number-based calculation and ranking techniques, and aesthetic or stylistic appeal. What is arguably missing is academic knowledge production that can both deal with the complexities of the world, take seriously particular conditions and is sensitive to context, *and* travel well, is relevant to people and societies, and help making alternative futures thinkable. While this seems to be a rather grand and idealist ambition, we believe that there is value in consciously rethinking the way we produce knowledge across global spaces. In an attempt to better understand contemporary sub-national economic governance *and* the possibilities open to academic knowledge production to mobilise strategies in search for alternative sets of outcomes, this tentative inquiry builds on two assumptions. First, it takes seriously comparative research across cultural, linguistic and political-economic boundaries. Second, it recognises that knowledge is produced in localised fashion (reflecting conditions and processes 'at home') *and* in de-contextualised, easy transferable manner (mirroring influences from abroad). Based on a comprehensive literature review and drawing on personal observations as academic researchers in the respective case study sites, the key objective of this paper is to examine blind spots, research gaps, analytical mismatches and missed opportunities for societal change amongst key strands of the international literature on sub-national economic governance, or *wirtschaftsnahe* governance, that have been assembled in Germany and Australasia. The inquiry thus confronts the complex matter of state-business relations on all geographical scales, the range of institutional settings in between polity and economy, the bewildering array of imaginaries, discourses, technologies and practices that are strategically utilised in

governance spaces, and not least the often unintended effects of interventions. We start with the empirical observation that apart from some regulatory differences in individual nation states, the dominant neoliberal philosophy of market liberalisation and deregulation seems to have pervaded the political-economic spaces of almost all nation states and regions. Yet closer inspection reveals that what is observable in sub-national political-economic spaces varies considerably, depending on the macro-settings of the political economy (see the ‘varieties of capitalism’ approach of Hall and Soskice, 2001), but also depending on the political significance and organisation of the private sector in economic governance arrangements that is expressed at different levels of political action (e.g. national, state/regional, local). They are, for example, embedded in varied, often diverging imaginaries, governance agendas, interaction patterns and materialities. Rather than claiming answers, we ask a range of questions at this stage: how well are particular literature strands such as regulation theory, new institutional economics, interactive governance and post-structural political economy approaches suited to work with these contextual particularities? Which literatures dominate governance-related thinking in each case study site, and why? And what would be gained by deliberately cross-fertilising approaches, conceptually and potentially politically; or in other words, what possibilities for theoretical and material change may be opening up by reassembling literatures across space?

Keywords: Governance research, private economy, varieties of capitalism, Australasia, Europe

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Proximity and innovation: An overview of old and new debates

The geography of innovation has been widely studied since the 80's and an impressive literature has provided numerous theoretical interpretations or measures on the link between innovation and space. The aim of the paper is to review the main theoretical and empirical findings in the domain in the light of the "French proximity school" approach (Rallet, Torre, 2005; Carrincazeaux, Coris, 2011). The first part of the paper deals with the historical development of the field associating the development of economics of innovation (through evolutionism and endogenous growth theories) and economic geography. It is argued that through the 80's and 90's the geography of innovation is in search of legitimacy and is oriented towards the search for the relevant spatial scale for innovation. We situate the "French proximity school" approach, the debates and empirical questions at stake in the innovation field facing the question of "why being close to innovate"? From the NEG to innovation systems, we position the theoretical approach of the French school through its evolution and balance between institutions and interactions between agents (Pequeur, Zimmerman, 2004). It is argued that these theoretical hesitations illustrates that the proximity school develops more an original approach to the geography of innovation than a complete theory. The overview of these studies since the 1990's allows raising empirical needs and still open debates: which proximity's categories (Boschma, 2005), permanent or temporary proximities (Torre, 2008)? Coordination or externalities (Rallet, Torre, 2005)? Articulating global and local dynamics (Rycken, Zimmerman, 2008); the negative effects of proximity and the inverted U-curve between agglomeration and innovation (Antonelli *et al.*, 2008). In the second part, we argue that the local dimension of the innovation process has probably been given too much emphasis in the 1990's, but that the more recent trends towards the analysis of globalization in the innovation process tend to underestimate the role of geographical proximity. Numerous analyses are now underlying long distance relationships and clustering without interactions (Cooke, 2008) and the need for a multilevel approach (Crevoisier, Jeannerat, 2009; Srholec, 2010). Facing these theoretical evolutions and a wide range of empirical results, we argue that the proximity approach gives a partial understanding of the geography of innovation by focusing on the coordination process and insist on the necessity to take into account the institutional dimension in the economic geography of innovation following the arguments from MacKinnon *et al.* (2009). We illustrate the need for this institutional approach by implementing the diversity of capitalism approach (Amable, 2003) at the regional level through the study of European regional knowledge configurations (Carrincazeaux, Gaschet, 2007).

Keywords: Geography of innovation, proximity, institutions

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Spatial patterns of recession in the United States

The recent global recession has caused significant structural change in the economy. Supply chains have been severed and the industrial mix of regions has changed. The U.S. based National Bureau of Economic Research (NBER) states the recession lasted 18 months making it the longest recession of the post war period. Further, the recovery has failed to restore jobs to prerecession levels. One significant aspect that remains unexplored is the spatial implications of the recession. Are some regions more adversely impacted than others? Are there patterns to this structural change? The purpose of this paper is to explore the spatial dimension of the recent recession. Of primary interest is the impact the recession along the rural-urban continuum. We wanted to know if urban counties were more impacted than rural counties. We find that counties that are adjacent to metro areas were impacted more significantly than non-adjacent counties. In other words, the ring of counties surrounding metropolitan areas was the hardest hit in the recent recession. This paper presents the statistical findings and offers several theories to explain this spatial phenomenon.

Keywords: Recession, unemployment, spatial, urban

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The plane of living and the pre-crisis evolution of housing values in the United States

This paper explores the relationship between quality-of-life differentials and housing values in the run-up to the ongoing financial crisis in the United States. The analysis combines older spatial demographic methods (systematic mapping) with newer spatial econometric methods (autoregressive modeling) to deliver a panoramic view of the contemporary plane of living and an evaluation of its influence on housing values through time and across geographic space. Housing values are inextricably bound to geography — both natural amenities and human amenities matter, but in different ways. The influence of natural amenities is growing more powerful, but human amenities offer important opportunities to address market conditions because they can

more readily be enhanced via public policy. Several general observations for public policy follow from these findings.

Keywords: Amenities, quality-of-life, housing, spatial econometric analysis

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Industrial upgrading in the fruit sector of the Chilean economy

In this working paper I will explain the main problems of Fruit Chilean sector. Basically how industrial policies can contribute to improve the productivity of Small and Medium Enterprises (SMEs), specially in an industry strongly concentrated. Following the tools of global commodity chains, credit rationing and developmental view, I will seek the linkages that permit to fuel the economic growth, but adding more SMEs and particularly with a clear role of State. Although the experiences are not identical, I have done a critical review of literature, particularly South East Asia (Rodrik, Jan Hoo Chang, etc) and the ISI strategy in Latin America in the sixties. Although it is not comparable with chemical, steel and heavy industries, there are some common patterns in terms of public policy. In Chile, in the last 15 years has grown so much the contribution of industrialised fruit (agro-food) to the total fruit export, although its share is still low in comparison with fresh fruit. However, through this Research (which is part of my PhD in Economic Geography), I have got evidence about small innovations streams in the total fruit sector, including the fresh fruit. It radically changes the paradigm about the added value and that it could be found only in the industrialised sector. Other finding is the employment quality and length of it in both subsectors. The industrialised fruits sector allows high quality employment and permanent employment, which benefit the local communities. Now I am working with some interviews to companies (medium, small and big companies) operating in this sector in order to understand much better the complex industry structure. It is concentrated, and the big exporters companies buy the production to small companies, and not necessarily the contract conditions are fair in the risks and distribution of output. Accordingly, I clearly see a role for the public policies in terms of defining a Cluster policy and a National System of Competitiveness, but oriented to SMEs (a mix between horizontal and vertical industrial policy). Although Chile has recently done it, I am not sure if these policies will benefit directly the small and medium enterprises in these global value chains (transference technology, long term credit, second floor banking, labor training subsidies, and so on)

Keywords: Upgrading, industrial policy, agrofood, clusters, SMEs

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The links between university and territory: A geographical approach from the Colombian context

The University in its relations with the land has been since the early 70's, the object of interest and reflection for specialists of disciplines such as history, urban planning, architecture, economics, sociology and geography. This topic has had approaches from both theoretical and methodological perspectives as well as from case studies. Usually, the conceptual and contextual scenarios of links University-Territory are the region, metropolitan areas, the city, the companies, public administration and government sectors. The connections are usually associated with names such as: local development, urban development, regional development, territorial and economic development. It is generally considered education as a higher tertiary activity, which in addition to its educational and scientific objectives, contributes to the structuring and territorial organization, and consequently, their socio-economic and cultural development in different scales. This role has been strengthened in recent decades, firstly, because the territory university relations have been transformed by technological change, which explains increased levels of training. On the other hand, because the historical role of raising standards of living and training in areas where the university takes place, more than ever is a current issue. The study of these issues has been developed in the context of Latin America and particularly in Colombia, less rigorously than the subject deserves, while there is a representative number of jobs, usually in urban or regional scale, found in English-speaking or arising from the European scene, particularly in Spain, France and Italy, which address from different approaches the relationship between the University and the Territory. The functions associated with higher education show a materiality related to equipment and in general intangible in what has to do with the services provided by institutions of higher education. Universities may be considered from a functional point as containers of activity. Civic buildings to provide higher education services. On the other hand, such facilities are not just abstract containers, the University seeks to address social needs and is the scene for changing relationships between different actors involved in its construction as a social space, so it is necessary to consider the basics of production, their socio economic, political and cultural dimensions, its individual and collective use patterns in the territory, and characterize their geographic location and distribution. In short understand their spatial nature. The job examines the case of Colombia, distribution patterns and models of higher education institutions at regional level. In urban-metropolitan scale, it examines the location of universities in relation to major cities. Finally, is made an assessment of regional disparities around the supply and demand for higher education services at public universities.

Keywords: University, territory, higher education

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Local development in a globalized world: How much of the rural areas are local or global? The case of the French “Poles d’Excellence Rurale”

This paper explores the peculiarities between local and global development in some particular French rural areas. More precisely local development (“space of places”) in rural France is particularly tolerant with respect to the global development (“space of flows”) by the implementation of these Poles d’Excellence Rurale (PER). The PER represent a French government’ initiative engaged on rural development which behave particularly in two different directions: the first one concerns their global mechanism of clustering which is similar with that of the Competitive Poles (CP) and the second one, which is local and involves their spatial development, innovation mechanisms and expected outcome. We underline that the economic argument of PER creation lies beneath the economic policy of their regional counterparts, that is the CP by successfully accomplishing their adaptation to the rural territory. Firstly, we question how they share a common base of economic development since the PER are nothing but “a diffusing CP into the rural territory” (Perraud, 2008). Secondly, we emphasize an intermediate level of analysis related to their foundation based on “expected rural spillovers” on the rest of the rural territory and on “leverage effects” on other territories. In this way we explain some concepts like the “territorial engineering” (Lardon and Pin, 2007) involving a competition and a selection among the “best territorial engineered territories” and the “rural excellency” implying a strong competition between different rural territories. Therefore these concepts are crucial to understand how local development behaves in particular ways like the global one. Finally, the degree of government implication should be mentioned here since we are facing local governance through the “bottom-up coordination policy” complemented successfully by minor government intervention or “top-down policy”. Nevertheless some differences should be mentioned here: while the competitive poles imply agglomeration and spillovers effects due to some critical mass, international visibility and interdependence between activities on the same territory, the PER are promoting some economic mechanisms prioritizing the local competitiveness of the rural assets and the integration of activities into the local tissue. Our methodology is based on the study developed by CAESAR (CAESAR-AgroSup Dijon, 2009) which emphasize the territorial development of French PER by type of local resources, market access and territorial organization. Thus our methodology emphasize bilateral comparisons between some determinants related both to the PER and the CP which are strongly related both to local and global development: the comparative and competitive advantages, agglomeration effects, spillovers, innovation, the request for proposals (or the selection process) and the government implication. Each type of these determinants are common to both the PER and the CP and their analysis is crucial to establish what type of development is affected to the PER and the CP. Further comparisons should be made concerning the local development/global development of the rural territory between the French PER and the rural clusters from the United States entitled “rural knowledge clusters” (US Department of Agriculture, 2002).

Keywords: Global development, local development, rural areas, Pole d’Excellence Rurale, Competitive Pole

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Economical deprivation of Indus River Delta, Sindh, Pakistan: Cause and suggestions

Economical loses of Indus river delta is constantly since last two decades. The Delta’s area is reducing. Fish, rice, wheat, barley, gram, oil seeds, maize, millet, cotton, *Jowar* date palm, coconut, mango, apple, banana, and Mangroves wood, are economical sources of the Delta. Mangroves are very world famous forest situated at the deltaic region. Mangroves are washed away from the region, data showing that 38% area of the delta has been reduced due to shortage of fresh water below the Kotri barrage in Indus River. Delta is a natural fish breeding hatchery; but different species of fish are disappearing from the area. About 0.1 million people of delta are busy in fishing sector. A famous fish species *PALO* is mostly finished. Fishing industry earns 08 billion rupees from the delta in a year. Study showing that coastal region of the delta providing 70% of total fish of Pakistan. The deltaic region is enriched with geological minerals, oil and gases deposition fields are found at the coastal area. But now situation is entirely change. Due to climate change and construction of different projects on the River Indus, the area is facing the shortage of water. People are shifting from the area. Sea saline water is increasing, production of fish, crops; fruit and mangroves forests are decreasing. Fresh water in the River may push backward to the sea water intrusion and will help for the survival of the mangroves forest.

Keywords:

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Innovation in the film industry: The case study of the Soho cluster in London

The promotion of the creative industries as motor of economic growth in the last 10 years in the UK has been based on the assumption that they contribute to economic development in various ways. First, the focus has been on the fact that their share in the UK economy both in terms of value added and employment was growing and that they were an important part of UK exports (Department for Culture Media and Sport [DCMS], 1998, 1999, 2001). This focus is still present today as expressed in the yearly DCMS statistical bulletins on this economic contribution (see DCMS, 2010, for example). Nevertheless, the focus on the direct economic contribution of the creative industries has been recently complemented by a growing attention to the way these industries contribute indirectly to economic growth through the diffusion of creative and innovative activities such as design into non-creative industries (Cox review, 2005; HM treasury, 2005; Tether, 2009) or through other knowledge, product or network spillovers to the rest of the economy (DCMS, 2007). Today, creative industries remain important in the UK economic agenda and are playing a key part in the national strategy to support economic growth post recession as illustrated in the Prime Minister recent speech on British economic growth (Prime Minister David Cameron's speech on 28th May 2010). The film industry is at the heart of this strategy as expressed by the Minister for Culture, Communications and Creative Industries on 29th November 2010 and will continue to benefit from local and regional support through Film London and the newly created Creative England. However, while evidence on how these industries contribute directly to local and regional economies has grown in the past 10 years, it is still disparate and needs refinement (Chapain and Comunian, 2010). This is even more the case in regard to their local and regional innovation dynamic and related indirect economic contribution. This paper proposes to address this gap by analysing in more depth local and regional innovation process in the Film industry in the Soho cluster in London by using an original survey of firms in the sector. Key issues to be addressed include an evidence-based understanding of firms' innovation performance, the role of technology and staff in their innovation process, the existence of potential linkages with other creative and non-creative sectors and how firms' innovation is supported by the London innovation system.

Keywords: Innovation, creative industries, film, cluster, London

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The recession and beyond: Local authority responses to the downturn in England

The impact of the 2008–09 economic and financial crisis at the local levels and the responses of local authorities and regional agencies have generated a wide range of publications in the UK, Europe and globally. Such work on this most recent downturn is striking in a number of ways. Firstly, we can see a much broader range of issues and responses being covered by researchers in relation to this downturn and its impact than was the case during and after previous recessions. Indeed, while much previous work highlighted the impacts of earlier recessions on UK cities and regions (Gillespie and Owen 1981; Green 1983; Owen *et al.* 1983; Townsend 1983; Henley Centre 1991; Green *et al.* 1994), far less was written about local *responses* during those downturns. The scarcity of information on responses may well be explained by the fact that, overall, local and regional actions were quite modest in comparison with national interventions at the time – see for example Townsend (1983) on the 1980's recession in the UK and Sawicky (2002) on the United States' 2001 recession. Another explanation may be that the specific impacts of previous recessions on the local scale and responses have in the past often been studied via a focus on highly specific examples of recessionary impacts such as plant closures (see for example O'Farrel and Crouchley 1983 or Hinde 1994) or – if undertaken with a broader frame of reference – as part of the debate on local authorities and economic development (Mills and Young 1986; Collinge 1992; Tallon, 2010). Given trends of decentralisation and a shift towards multilevel governance (or at least participation) over the last 20 years, along with the reform of local government in some countries with the aim of fostering local democracy and efficiency (Kersting and Vetter 2003; Pike *et al.* 2006; Baldersheim and Wollman 2006; Tomaney 2009), we might expect to find that local authorities were in a better position to counteract the impacts of the 2008–09 recession as compared with previous recessions, as long as strategic capacity to act at the local levels was actually developed. Understanding the way local governments have been able to respond to this latest economic shock and in so doing what difficulties they have encountered may in fact shed some light on the extent of localism and what capabilities have been developed. Using a survey carried out by the Audit Commission in mid-2009, this paper examines to what extent local authorities in England have actually responded in a strategic way to help businesses, workers and communities during the 2008–09 recession. This analysis demonstrates a differential response across local authorities in terms of local strategic capacity and the availability of financial resources. This analysis has implications; for example in the English situation in terms of the setting up of the new Local Enterprise Partnerships.

Keywords: Local authorities, recession, economic development, strategic capacity, England

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The role of service provider firms in supplying research & design technologies to cater electronic manufacturing sector demand in Malaysia

Strategies to integrate producer services sector in developing new technologies for electronic component manufacturing industries has been recommended to increase industrial grade in electronic industry sector. Apart from generating value added products at various output stage, this integration help encourage development of local producer service sector that require rapid advancement and development. However, the main issue is how reliable are these producer service providers in responding to demands for R&D and IT services? Of more pressing issue is implicating quality aspects and efficiencies. Requirement to comply 'Just In Time' concept as demanded by customers as a positive reaction to change demand trend still being question mark. Service provider firm capacity in offering products need to be scrutinised to study supply and demand and further identify customer needs which change at all time. Difficulties in getting R&D and IT service components in the market causes this service to get in-house products or from main office with innovation process support. Furthermore, electronic security production sector production for any particular product is well protected whereas interactive product must be developed and invented to fulfill demands and current development

Keywords: Advanced producer services, R&D and IT, manufacturing production, electronic

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Strategizing for rural revitalization in South Korea

For South Korea, rural revitalization efforts aim to address the general problems of rural economic decline, a shrinking and aging population base, agricultural stagnation and the over-centralization of resources in the greater metropolitan area of Seoul. Rural revitalization has generally come to be understood as promoting economic growth as well as job and wage growth, quality schools and rural ways of life (Clugston, 1997). Alternatively to a growth focus alone, others assert that place prosperity may be a more appropriate lens by which to examine rural and regional development (Isserman et al., 2009). In either case, a comprehensive vision and policy response for regional rural revitalization for South Korea is yet forthcoming. Consequently initiatives and policy recommendations over the past two decades have focused on piecemeal approaches addressing the symptoms of economic decline, shrinking and aging populations, and imbalanced regional development. Direct initiatives have on the one hand, promoted a productivist, rationalized agriculture (and by implication, a depopulated countryside) and on the other, promoted balanced regional development efforts. In the wake of the urban transition and rapid economic development of the past decades, physical amenities have for the most part finally caught up with urban areas, yet social and cultural amenities and economic resilience are sorely lacking. This leaves the broader identity of rural South Korea caught between the "lagging regions" of an industrialized country and the "underdeveloped" regions of a developing country. Rural revitalization for South Korea will require a combination of central government policy reforms and bottom-up initiatives for charting viable futures (Choe, 2009). This paper identifies trends, obstacles and key pressure points to strategizing for rural revitalization at the national, regional and local/community levels. Key trends include the continuing "leopard spot" development, the aging demographics of rural areas, decentralization, and the declining role of agriculture in the national economy. Obstacles to long-term rural revitalization efforts include the rural residence disincentives of the lack in educational quality/access and gender parity. The broader policymaking concern also remains that while political democratization and decentralization processes have devolved certain decision-making capabilities down to the local level, accompanying comprehensive policy measures still need to be implemented at the central government level. The coordination of a comprehensive rural revitalization policy would ideally provide for the articulation and implementation of a long-term vision at multiple levels of administration and society, addressing both the key obstacles to rural revitalization and current trends affecting rural areas and the country.

Keywords: Rural revitalization, rural development, economic resilience

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Composition of project-based organizations and the knowledge creation of musical industry in Seoul

The critical factors that lead industrial growth and development in knowledge-based economy are learning among principal agents and knowledge creation. Even though there have been various studies on cultural industries, the study on learning and its driving force in cultural industries has not received enough attention. Cultural industry is more creative and innovation-oriented than any other sectors. The type of knowledge in this industry also shows distinctive traits. Among different kinds of cultural industries, this study focuses on musical industry in Seoul and musical production company, which is the main production agent. The purposes of this study are to figure out what type of production organization forms a foundation for knowledge creation in the industry and to examine how learning and ensuing knowledge creation occur during musical production process. The results of the study can be summarized as follows. First, most musical production

companies in Seoul are project-based organizations, which originally consist of staffs in planning, public relation, and marketing department but organize a temporary production team in case they plan to give a performance. When these organizational units work for production, they utilize concept of certain musical and musical actors' reputation as crucial information. Second, knowledge base of musical industry is related to human beings' emotions or cultural, subjective contexts. So according to the industrial knowledge base approach, knowledge base of musical industry can be categorized as symbolic one. In addition, knowledge is created through reciprocal learning due to various proximities. In musical production units, face-to-face interaction is indispensable to enact learning process and creating knowledge. Hence, temporary geographical proximity plays a vital role in this case. Third, the process of musical production can be divided into eight stages: idea design, concept set-up, concretization, investment attraction, practice, public relation and marketing, rehearsal, and performance. In each stage, participation timing of production staffs differs. In concretization stage, learning and knowledge creation happen most actively. Moreover, space which functions as a base for knowledge creation changes production company's office, practice room, theater depending on production process. This study is meaningful in that it analyzes production processes and organizations of Korean musical industry and applies knowledge issues to the industry while examining learning and knowledge creation, which is neglected in the previous studies.

Keywords: Cultural industry, project-based organization, knowledge creation, industrial knowledge base approach

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Incheon Free Economic Zone as a contested terrain between differentiation and equalization of state spatial strategies

This paper examines how the Neoliberal hegemonic project carried forward on global scale by transnational capitalist class alliances articulates with another hegemonic project on national scale. Since two hegemonic projects are formed on different scales, this scale discrepancy necessitates the transformation of Neoliberal hegemonic project into national state's accumulation strategies and hegemonic project. Following and extending Jessop's strategic-relational state theory, this paper will analyze Incheon Free Economic Zone (IFEZ) policy to show this transformation process under which Neoliberal hegemonic project competes with incumbent national strategies and loses its coherence as a unified project. IFEZ plan was proposed during Kim Dae Jung administration and initiated by Noh Moo Hyun administration to transform Korea into a Northeast Asian business hub. As a hub strategy, IFEZ policy is supposed to enforce the differentiation/concentration of state space while as a "balanced development strategy" it is expected to contribute the equalization/balance of state space. This paper shows that IFEZ becomes a place where two contradictory state spatial strategies compete and where Neoliberal hegemonic project faces an impasse.

Keywords: State spatial strategy, Free Economic Zone, neoliberalism, hegemonic project, scale discrepancy, Korea

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Path-dependent regional industry restructuring in Gumi industrial complex, Korea

In Korea, local manufacturing complexes were built strategically for the factor-driven industrial development goal from the beginning of the Korean industrialization in the early 1960s. And they contributed to the Korean economic development exporting their goods and products. But labor intensive industries which made use of low production costs faced the industrial restructuring because the rise in production costs and the advent of least developing countries weakened Korea's competitive position in the international market. The Korean government restructured the industries in mature stage politically. This led to crisis in the industrial districts of labor intensive industries. In 1970s, the Korean government gathered textile and electronics industries in Gumi industrial complex which were made up of branch factories. Local economy got into trouble with the shutdowns and relocations of factories due to industrial restructuring. To solve this, the Korean national and local government carried out renewal policy for strengthening their capabilities of local small and medium enterprises(SMEs) and promoting New & renewable energy equipment industry. The results differ in each industry. Individual company's decision-making has a strong path-dependency by the routine inherent in region and industry setting them apart from others; SMEs of the textile industry were linking to each other limited to their own intra-industry and received support from the government. But they were decreasing their share of regional economy. Whereas, SMEs of the electronics industry grew from the vertical to the horizontal linkage structures by the help of the technical support from the local government. Meanwhile, SMEs of new & renewable energy equipment industry are increasing their share of regional economy through industrial reconversion from the electronics industry in Gumi industrial complex.

Keywords: Regional industry restructuring, path-dependent, Gumi industrial complex, evolutionary economic geography

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Intra-urban spatial patterns of ethnic entrepreneurship: A case study of Korean immigrants in Chicago IL PMSA, 1990 and 2000

Ethnic entrepreneurship has been widely accepted an important mean for an immigrant group to improve economic status in the host society. However, less attention has been paid to intra-urban spatial pattern of ethnic entrepreneurship and lesser to its changes over time. Also, the recent immigrants' residential dispersion and re-clustering in some selected well-to-do suburbs seem to portend changes in the spatial patterns. This research aims at understanding spatio-temporal dynamics of ethnic entrepreneurship within a city and impacts of changing residential distribution on it. The research examines self-employed Korean immigrants in Chicago IL PMSA in 1990 and 2000, using Public Use Microdata Sample (PUMS). It also conduct conducts a survey to understand reactions of Korean businessmen to the residential shifts of co-ethnics to suburbs. The analyses through PUMS found Korean businessmen in the study area have declined in number and proportion. Also they are older and stayed longer compared to co-ethnic wage workers. They are getting residentially suburbanized as co-ethnics do and have longer commuting distance. The survey indicates only a portion of Korean businessmen answer there are some impacts of residential dispersion of co-ethnics. It seems due to the fact that Korean businessmen have different degree and ways to use ethnic solidarity in running their business. Relevant to those analyses is the enclave-economy hypothesis which argues benefit from spatial clustering of co-ethnic entrepreneurs by yielding more business opportunities and greater returns.

Keywords: Ethnic entrepreneurship, immigrants, residential dispersal, ethnic solidarity, ethnic enclave economy

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Localization and embedding process of agri-food industry: The case study on Mungyeong Omija commodity chain

This study aims to investigate the agri-food industries newly arising in Korea's lagging rural regions as part of an alternative to the globalized agri-food commodity chains and a strategy to promote endogenous rural development. The objective of this study is to examine the agri-food industry for regional speciality food product using the framework of commodity chain in order to reveal the characteristics of its industrial structure and social organization, along with its spatial implications and to construct the embedding process theory of the agri-food industry taking roots in the certain area. This study focuses on the commodity chain of Mungyeong Omija Industry consisting of actors such as Omija farmers and Omija food processing companies. For this purpose, four research themes are put forward. That is, the change in the major kind of crop from Leaf Tobacco to Omija in Mungyeong area, the characteristics of its industrial structure and social organization with its spatial implications, the public quality-certifications of Omija and their local connections, the local financial and technical incentives and learning. First and second are related to the localization of Mungyeong Omija commodity chain, while third and fourth to its embedding process. The following is the findings of this study. First, the change of the major crop from Leaf Tobacco to Omija in Mungyeong area brings about the conversion of spatial characteristics in each commodity chains. In the Korean tobacco industry, Mungyeong area was just one of the leaf tobacco cultivated fields in Korea. Whereas the whole Mungyeong Omija commodity chain is being built in Mungyeong area where Omija farmers and Omija food producers being gathered together. Second, localization of agri-food commodity chain depends on the fact that all of the Omija food producers in Mungyeong area actually purchase their core ingredient, Mungyeong Omija grown there. And the fact that locally bonded Omija farmer's organizations play a leading role for setting a price on Omija before the harvest every year lends weight to its localization. Third, Mungyeong Omija earns several quality-certifications such as Environmentally-friendly Agricultural Products Certification, regional co-brand "rediM" and Korea Protected Geographical Indication, which help their food-qualities connect with the locality of Mungyeong area. Fourth, the financial and technical incentives from the local government to Omija farmers and food processing companies contribute to increase their members belonging to Mungyeong Omija commodity chain in a short period of time. And local training-and-learnings play a trust-building role in embedding Mungyeong Omija commodity chain into Mungyeong area. Consequently, these results have important implications for the recent local government policy to promote the regional speciality food products business in Korea. This study shows that the link between farming and food processing of agri-food industry is reinforced when it is made within the same area.

Keywords: Mungyeong Omija industry, regional speciality food product, commodity chain, localization, embedding process

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Green economic clusters? The diffusion of green building expertise across the U.S.

Green buildings, as defined by the Leadership in Energy and Environmental Design (LEED) standards of the U.S. Green Building Council (USGBC), have been growing at a rapid rate over the last decade. Designed to reduce the consumption of water, energy, and building materials, as well as the production of stormwater runoff, construction waste, and chemical and carbon emissions, these buildings are constructed under voluntary, flexible standards run by a non-profit organization. While green buildings are found in all fifty states and nearly one hundred countries, the expertise to produce these buildings may be more geographically limited. This paper is an empirical analysis of the geography of this portion of the green economy, based on the location of the architects and contractors involved in producing green buildings in a selection of metropolitan areas across the U.S. While every building has to be designed with consideration of its physical environment, this is even more so for green buildings, where the existing built environment and physical characteristics such as climate and local materials all play an important role. At the same time, knowledge of local regulations and ways of doing business are also more important because of the extra incentives or requirements that may have to be negotiated. The third-party LEED standards comprise a body of codified knowledge that must be combined with the previous two types of tacit knowledge in order to produce a certified green building. It is therefore important to know the extent to which the people and firms involved in producing green buildings already have that local knowledge of place and governance and can combine it with the more generalized knowledge of LEED. In particular, are there regional experts on green building in places such as Portland, OR, or San Francisco who then transmit that knowledge to local projects in Atlanta or Sacramento, or do local architects and contractors learn the LEED standards to integrate with their own existing local knowledge? We find that it is generally the latter, which is encouraging for the spread of environmentally-friendly building practices at a national and even global scale.

Keywords: Green buildings, sustainability, architects, contractors, local knowledge

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Spatial distribution of economic activities and transboundary pollution

Different empirical studies confirm that people retain environmental quality in their location choice. According to the IOM (International Organization for Migration), the dramatic increase of environmental degradation in recent years has led to the migration of a large numbers of people. Thereby, a report of United Nations estimates between 25 million to one billion people could be displaced by climate change in the next 40 years. A large literature has dealt with worker's migration issues. Following the pioneering Krugman (1991)'s Core-Periphery Model, the New Economic Geography has highlighted the various centripetal and centrifugal forces which are acting on firms and mobile workers location when transport costs are decreasing. They confirm the tendency to geographical concentration. Nonetheless, little attention has been devoted to the role of environmental pollution in agglomeration or spreading of economic activities. A few models in New Economic Geography consider environmental damage which could lead to partial agglomeration stable equilibriums. Nevertheless, these models consider only purely local pollution. However, transboundary pollution is an important phenomenon in the contemporary environmental issues. It is now well established that air pollution is transported over hundreds or even thousands of kilometers. Consequently, when acidic pollution is finally deposited, its environmental impacts are felt in areas far removed from their sources. An edifying study of the Baltic Marine Environment Protection Commission shows that Czech Republic is the 11th largest depositor of nitrogen into the Baltic Sea that is more than the contribution from Finland or Russia. Ukraine and Belarus rank 15th and 16th on the list of the most important contributors: their pollutant discharges exceed the levels of airborne nitrogen coming from Estonia, Latvia or Lithuania into the Baltic Sea. Transboundary pollution issues have been covered by many Environmental Economics studies last years. Some of these have analyzed the links between transboundary pollution and migrations, but did not consider international trade. Our aim is to introduce transboundary pollution in the New Economic Geography's field. To do this, we provide an extension of Ottaviano (2001)'s Core-Periphery Model. We consider pollution as a location force using two environmental parameters. The first parameter δ represents the negative impact of industrial production on the skilled workers utility. The second parameter β represents the share of pollution emitted in a region and damaging the other region. This allows us to obtain new stable equilibria's configurations. In the case where a region emits purely local pollution and the other emits transboundary pollution, partial agglomeration equilibria could be stable. Moreover, the introduction of transboundary pollution shows that environmental damage may act as a spreading or an agglomeration force regarding the parameters values.

Keywords: Economic geography, transboundary pollution, agglomeration, labor mobility

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Environmental innovation and sustainability transitions in regional studies: Towards a research agenda

Sustainability concerns have played a rather subordinated role in regional development over the past two decades. In the few exceptions it had been addressed as a policy imperative formulated by governments at different levels (EU, national, regional or sectoral) looking for the integrated treatment of longer term environmental impacts, job growth, health and equity concerns. In how far sustainability concerns might also lead to fundamental transformations in technologies and industries has only found scant attention. The present paper argues that regional studies should take this challenge seriously by contributing to an emerging research field that is likely to gain prominence over the next couple of decades. So far, sustainability induced industrial transformation processes have been predominantly analyzed by scholars from innovation and science and technology studies. However, these technology and innovation focused concepts have often disregarded spatial aspects: neither regional preconditions for the development and diffusion of radical innovations nor the likely distributional impacts of these transformation processes have been analyzed in much detail. We maintain that this state of affairs opens up a promising field for future research generating new research questions with highly relevant policy implications at the juncture of environmental, innovation and regional policy. In the paper, we will first reconstruct in how far sustainability concerns have been addressed in the literature on regional development. We will then lay out the field of sustainability transitions research to identify major gaps in both literatures. We will then provide some illustrative case studies of recent sustainability transitions research, which explicitly consider space, place and scale. Examples will be taken from recently emerging industries in energy and water sectors. The paper will conclude by sketching out a research agenda that might inspire future research on regional development.

Keywords: Regional development, environmental innovation, sustainability

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Where globality encounters locality: Hub-airports and the knowledge economy

Since the Urban Revolution there has been a mutual interplay between cities and their transportation linkages. Historically urban centers have emerged at the convergence of lines of communication: port-cities at navigable rivers or shorelines, highway-cities along motorways and railway-cities at suburban railways or main lines. Throughout history, urban competitiveness, growth and the economic prosperity of cities have been highly determined by their connectivity and their positions within networks. Under the general framework of global (time-based) competition and new business practices, the potentiality and the locational advantages of airports as network-infrastructure have become more integral than ever to urban competitiveness, business models and firms location decisions. Like no other infrastructure facility, airports integrate two locational qualities: worldwide connectivity by air and multimodal landside accessibility on a local, regional and national scale. In recent years airports have become advantageous business sites especially for knowledge-intensive enterprises. For cities, good physical connectivity is crucial for their position in the destination hierarchy. A better place on the world's aviation network corresponds with higher economic growth. Worldwide, myriad cities have followed this logic and have invested in aviation infrastructure projects and the airport hinterland. This paper contemplates the general role and future of airports and their specific contribution to competitive advantage within a fast changing business landscape. What role do airports play within the knowledge-sharing and thus innovation process? Why do an increasing number of globally-oriented companies relocate their headquarters closer to airports? Why have airports evolved into innovation and knowledge hubs and what are the underlying drivers of this spatial development? Although airport-linked spatial developments take place worldwide, this paper focuses on European examples. In contrast to the situation in North America or Asia, European airports are different in respect of their position within the urban setting, their multimodal ground transportation linkages or the physical planning procedures involved. First empirical results show that locations directly at or close by hub-airports are in demand among highly globalized sectors, which are characterized by their need for frequent face-to-face interaction, high value products and services. The increased demand for floor space at and around airports has made airport real estate an attractive asset for investors. All this in turn has ultimately initiated a self-energizing cycle, which transforms airports into urban-like entities. Hence, with the history of airports the history of markets is repeated.

Keywords: Hub-airport, knowledge economy, Europe, networks

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Relocations, between coordination and control: The role of sectoral and regional contexts

Relocations are generally considered by the economic literature as a part of the globalisation process conducive for economic growth through goods and knowledge flows. At the macroeconomic level, the statistical evaluation of relocations remains a complex task as their definition are not always clear (from the narrow

definition of “pure” relocations to more complex considerations of the global value chain) and their scope is always a source of debate (OECD, 2007 or Fontagne, Lorenzi, 2005, for the french case). The decline of trade barriers has progressively favoured the use of global value chains by multinational firms and, at the same time, conduced to more competition between locations. From the policy makers’ point of view, relocations are also a matter of employment loss and of local attractiveness. In the recent years, the qualitative evolution of the phenomena at the sectoral and regional levels (from low cost offshoring to more technological intensive relocations) became a new concern for the public debate. The aim of this paper is to try to understand relocations from the firms’ point of view within these regional and sectoral contexts. We adopt a broad definition of relocations considered as a specific dimension of firms’ mobility. Our main question therefore deals with coordination. The globalisation of the value chain in a context of open innovation leads to a more external access to knowledge for firms, but the increasing combinatorial dimension of knowledge leads also to the question of proximity inside and outside the firm. This “knowledge constraint” is analysed through the concepts of the economics of proximity (Rallet, Torre, 2005 ; Boschma, 2005). Relocations decisions are also the result of a complex decision process involving the different parts of the firm. The knowledge constraint is often unable to fully explain the mobility decision for which rationality may appear bounded. We therefore cross the proximity approach with an institutional conception of the firm. The articulation of four main relations at the firm and sectoral levels (financial, labour, commercial and purchasing relations following Jullien and Smith, 2008) allows us to identify the conditions of anchoring and mobility of firms in space. The grid crosses the three “geographical”, “relational” and “political” (in the sense of conflict and power relationship) “spaces” in order to deal with four main questions: “What?” (which activities or functions are or could be relocated?), “Where” (in which specific places are they occur?), “How” (what are the organisational form, sub-contraction, Greenfield, etc. of relocations?) and “Why” (which are the explanatory forces of relocations?). This grid is used to present the first results of *ESCAPE* project (founded by the Aquitaine Regional Council and coordinated by Marie Coris):

- a typology of the sectoral diversity of relocations tendencies (focusing on the link between conception and production and challenging the common idea of a centre-periphery organisational structure);
- a typology of ideal types of emblematic kinds of relocations (and back-relocations), based on a specific survey realised in the Aquitaine region in 2008 and 2009.

Keywords: Relocations, proximity, geography of production, institutions

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Channels of knowledge transfer to Polish farmers

Economic condition of farms is affected by a changing over time range of factors. While the natural conditions are of critical importance to agriculture production, the achievements of agronomy and management sciences are increasingly gaining in weight. These changes cause that farmers are under constant pressure to keep up to date with biological-, technical- and economy-related knowledge. The present-day farm managers need to understand processes that are directly influencing agriculture production as well as its surrounding plus social and economic environment. In Poland, farmers are among the most poorly educated socio-professional groups. Polish agriculture is traditionally identified with a low level of knowledge of people who are related to it. A crucial factor influencing the farmers’ education level is the fact that a prevalent number of farm population lives in those rural areas which are monofunctional in character and located far away from the major urban centres. That is due to the fact that in rural areas there is a poor access to education in schools, to traditional knowledge sources (like libraries, archives) as well as to the new knowledge sources (the Internet – a phenomenon of digital exclusion). Thus, territorial social systems, with agriculture among these undoubtedly playing a significant role, may suffer from a poorer transfer of knowledge, which in consequence may give rise to the creation of developmental barriers. The strategic document entitled *Poland 2030. Developmental challenges* (2009) points to the limited potential of agriculture development through increase in the capital production. Making the best use of recent scientific achievements in agro-technology combined with transformations in the structure of agriculture production seem to be of key importance for improving efficiency of the agricultural economy. Productivity improvement has to be sought, in particular, in the agriculture workload rationalization. That rationalization must be perceived through the angle of quantity and quality, as well as being closely associated with the level of knowledge. The main aim of the paper is to identify and analyse the main sources of knowledge for farmers. It is planned to carry out analysis of spatial accessibility to agricultural secondary and university schools as well as to agricultural consulting centres, based on the model of intermodal spatial accessibility prepared by the Institute of Geography and Spatial Organization PAS. Also, the subject of study will be other sources of knowledge (*inter alia*, the degree of usage of information-communication technologies and training courses co-financed by the European Union projects) and the level of their usage and accessibility on the part of the farmers. Information & Communication Technologies have become indispensable element of the current human activity. Especially the recent years have witnessed their

rapid development. ICT are used virtually in almost all fields of life, including the modern farming. Through the use of these technologies a farmer is able to: seek and develop knowledge, keep in contact with other producers and economic entities related with agricultural environment, promote his/her goods and services as well as order necessary means of production. In agriculture, access to the newest ICT technologies constitutes the basic factor conducive to appropriate and effective functioning of farms.

Keywords: Knowledge transfer, educational level, farmers, Poland

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Infrastructure, accessibility and resources: Changes in the school system and in the level of education in the Mazovia region (Poland) in the 1970-2002 period

Spatial accessibility to different levels of education is considered to be of key importance, since it influences the quality of human resources in the society, and thereby it affects possibilities and trends of development in the particular regions and countries. Access to education can be ensured both through locating the educational institutions at various levels near the place of residence of the recipients of these services and through creating appropriate conditions for commuting to schools on a daily and weekly basis. The paper's primary focus is on spatial accessibility to schools at the secondary and higher educational levels in the Mazovia region in the 1970-2002 period and on analyses of changes in the level of population's education during the same period of time. The lower levels of education (pre-schools and primary schools) are excluded from the study, since their distribution is closely related to the settlement structure. Because these belong to the basic services, they can be found in every place and their number is linked to a position in the hierarchy occupied by a given locality. Analyses concentrate on the Mazovia region, i.e. the central region of Poland, which is characterized by the largest inner disparities. The booming metropolitan region of Warsaw - the major and most important city of Poland - is surrounded by poorly developed mono-functional rural areas. Over the 30-year period of study allows us a detailed dynamic analysis of structural transformations noted in the secondary and higher levels of education as well as in the population's educational level. This time period encompasses most significant changes not only in the entire school system but also in the economic, political and social systems. The major hypothesis of research to be verified by the authors is as follows: *creating a more polycentric structure of the secondary and higher educational systems may prove beneficial for reducing the inner regional disparities in the distribution of well-skilled persons*. It becomes an important issue when looked at from the perspective of the observed tendencies towards brain drain. Choosing as the place of learning the secondary and higher educational institutions situated in the capital of the region, the youth, through lack of other alternatives, after finishing their education often decide to continue their professional career at the same locality. Thus, the resulting transfer of population has the effect of strengthening developmental disparities in the region.

Keywords: Secondary and higher schools, education level, accessibility, Poland

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Urbanization and economic development in China: The case of producer services

The Chinese economy is far from balanced; state and provincial government economic development policies continue to favour export-oriented manufacturing sectors, as opposed to local consumption-generated growth based on demand. In so far as all this reflects China's significant comparative advantage in goods production, this continuing emphasis is understandable but as a consequence the Chinese service sector has experienced lower growth than the goods sector. The majority of existing research into services in China has largely been concerned with analyzing and understanding the service sector as a whole. While in recent years studies of specific services have become more common, one of the categories that has largely been overlooked is producer services. Yet, as any visitor to a contemporary Chinese city observe, it is these knowledge and information intensive services that are rapidly emerging as a more visible source of economic growth and business competitiveness. While producer services may now be acknowledged as vital to economic transformation they remain under-represented in fast growing cities like Shanghai, Beijing or Guangzhou, or in regions and provinces undergoing significant industrial modernization such as North East China. This paper explores some of the dimensions of the 'services challenge' and outlines the agenda for some recently commenced research on urbanization, economic development and producer services in China as part of a four-year EU-China Collaborative Research Programme.

Keywords: Producer services, economic development, cities, China

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The impact of cross regional influences in international value chains: The case of horticultural value chains between Kenya and the EU

The presentation shows on the example of private standards in horticultural value chains between Kenya and the EU in how far producers in an international value chain can be influenced by the actors and the environment (cultural, socioeconomic etc.) of the market region. In agricultural value chains mighty buyers often control their suppliers. This is particularly the case for horticultural value chains between Africa and the EU in which large European retailers use their market domination to set standards for the complete value chain. While the role of governance structures has widely been analysed, only limited analysis deal with the influence of the regional environment of the leading actors. However, it is presumable that especially actors in the target region (in this case the EU) have influence (e.g. by market pressure, lobbying or by law) on the standard and therefore also on the producers in Africa. Here the question arises in how far such *Cross Regional Influence* of the target region – dependent on the differences in e.g. economic development and ethic values – effect the producers. The presented empirical findings show the impact of such *Cross Regional Influence* from the EU and the resulting *impacts for Kenyan suppliers*. While European retailers, policies and producers play key roles in the development of the standards, the Kenyan producers' voices are barely heard. This leads to problems for the producers to implement the standards and can lead to the exclusion of large numbers of small scale farmers. However, the results presented in this paper additionally show that farmers, exporters and other actors of the Kenyan industry also found new and informal ways and practices of dealing with this situation.

Keywords: Value chains, agriculture, Africa, standards

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Tribal Iranian woman and her role in family economy

Iran is a mountainous country that due to strain in latitude have different climate conditions. That's why some people in this country, called the tribes, live in a certain way. They change their living place, in summer and winter, and usually in winter they migrate to the local hot weather places that are called Gheshlagh. However, Gheshlagh in the countryside is near Yeylagh, the cooler place that they live there in the warm seasons of years. Their family economy is based on livestock and handicrafts. Women in these families is fundamental, and from nursery care and home affairs, where the house is described as a black tent, to the preparation and even dairy pastoralist and nomadic rugs context for that is done by her. These tribal women, from long time ago, have had heard the problems of life that family and community have served to them without anybody tries to reduce the hardness of their efforts. This article tries to describe tribe women economic role regarding their problems.

Keywords: Iran, Tribal woman, Economic importance, Geography

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Local development in a globalized world

The process of globalization is very contradictory phenomenon, but it's quite undeniable factor of the

modern world. Globalization is objectively conditioned factor of becoming of world civilization formation in the 21-st century. In the second half of the 20 century the common planetary world picture is essentially changing. Intensive processes of integration take place both on the civilized and global level. Western-and-European community with common currency, custom boundaries, common market, common lawful basis and European Parliament is developing on the international level. From the one hand, interstate partnership is developing. On the other hand, unification of national cultures is taking place against a background of approach of social-and-economic development stages. In connection with formation of common territorial space, the development of global citizen community with the interests of all natural cultures, religions, value systems, priorities is essentially backward. Pitirim Sorokin let us know, that any great culture is not able to be historic nation if it loses its individuality and simply becomes the material for other civilizations or systems. Any nation or society, which can't form a new social and cultural order changes into «ethnographic human material». Incompatibility of socio-cultural types, unification of education and moral threaten to Russia and its local civilization. It will happen, if Russia doesn't follow its local way of development and doesn't become the centre of integral sociocultural system with restoration of historical prerequisite of human moral. Civilized local development, as a result of progress and social diversity - is the essence of survival and society progress, reservation and transmission of its hereditary kernel, gene type to the future generation. Local development with the impact of globalization and unification is of doubt, because the united civilized integrity is in the condition of stagnation. It is obvious, that national states must develop according to culture, mentality, national traditions. But globalization processes bring serious changes into status of national states. Most of functions are transmitter to interstate communities, as in Western Europe. There is a danger that national states can turn into any world - wide federation because of very slow local development. Weakening of the national states can lead to the extreme result that is desintegration. The so called crisis states, preferring global, but not local way of development, are not able to solve social-and-economic problems. Local development in the condition of globalization supposes the efficient state with national regulations and institutions, stable development in both, economic and social spheres. There is an exact item about personification of the state: who realizes management functions; if this management corresponds to the state interest, free of corruption? And only then, there appears opportunity of revival of national state and civilizations, headed by it. Local civilized development in globalize world is the only way to preserve the culture originality, the own way of development as well as to stand for own interests in international relations. This is also the way to optimal, efficient interstate rapprochement on the basis of intergovernmental relations.

Keywords: Local development, local development, civilized integrity, sociocultural system

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A worldwide comparison of urban connectivity in airline networks and office networks of business services firms

This paper presents an empirical analysis of the global urban dimension of the complex and multifaceted relations between physical connectivity and the development of the so-called 'global knowledge economy'. Our empirical framework thereby adopts the analytical lens of the co-variation of (i) office networks of knowledge-intensive business services (KIBS) firms and (ii) air passenger networks. Based on an initial selection of 525 key cities across the world, we construct connectivity measures at the city-regional level for both types of networks. Connectivity in office networks of KIBS firms is measured by drawing on the data of the Globalization and World Cities research network (GaWC), detailing the location strategies of 175 globalized KIBS firms in the year 2008. Connectivity in air passenger networks, in turn, is measured by drawing on a dataset devised by SABRE Airport Data Intelligence, which contains worldwide airline bookings information for the year 2008. Both sets of global urban connectivity measures for the year 2008 are thereupon compared through standard least squares regression analyses, and the empirical specifics that emerge from our analysis are discussed through an examination of the regression residuals. Based on an overview of our main empirical results, we discuss some potential conceptual implications for the conceptual and empirical research on global urban connectivity.

Keywords: World city network, airlines, business services

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Variegated geographies of recovery and decay: International banking centres in the aftermath of the global

financial crisis

While the recent financial crisis can be considered truly global, it has nonetheless had a variegated impact on international financial centres (IBCs). Our earlier work on crisis-time change for the period 2007-2008 (Derudder, Hoyler, and Taylor, 2010) has illustrated a general, but variegated shift 'from West to East' in the world of IBCs. Analogously, as the crisis is gradually ebbing away, emerging geographies of global recovery are bound to be as variegated, although these geographies will not necessarily reproduce pre-crisis or full crisis-time configurations. To draw up a global typology of recovery, ongoing stagnation, or even further decay, this paper extends an existing line of empirical research by analyzing how leading IBCs have been faring throughout the global financial crisis for the period 2007-2009. To this end, we aggregate data derived from The Banker's annual list of the world's leading banks at the city-level to map changing levels of Tier 1 capital in 2007-2009, and returns on capital in 2008 and 2009. The paper concludes with a review of the implications for future research on financial geographies in general and the geographies of the financial crisis in particular.

Keywords: Financial crisis, international financial centres, global economy

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Conservation of natural resource: A case study of water conservation

Water is the basic need of human being. Our country is known to different methods of water conservation. The amount of water available for use is very low that is why it is very essential to conserve the water. The Indus Valley Civilization, that flourished along the banks of the river Indus and other parts of western and northern India about 5,000 years ago, had one of the most sophisticated urban water supply and sewage systems in the world. The fact that the people were well acquainted with hygiene can be seen from the covered drains running beneath the streets of the ruins at both Mohenjodaro and Harappa. Another very good example is the well-planned city of Dholavira, on Khadir Bet, a low plateau in the Rann in Gujarat. One of the oldest water harvesting systems is found about 130 km from Pune along Naneghat in the Western Ghats. Once Cherrapunji was famous because it received the largest volume of rainfall in the world, It still does but ironically, experiences acute water shortages. The people face the problem of water during summer. This is mainly the result of extensive deforestation and because proper methods of conserving rainwater are not used. There has been extensive soil erosion and often, despite the heavy rainfall and its location in the green hills of Meghalaya, one can see stretches of hillside devoid of trees and greenery.

Need of Water Conservation in Agriculture: Conservation of water in the agricultural sector is essential since water is necessary for the growth of plants and crops. A depleting water table and a rise in salinity due to overuse of chemical fertilizers and pesticides has made matters serious.

Objectives of the Study: The main objectives of the study are as follows:

1. To assess the need of water conservation
2. To study the role of farmer in water conservation
3. To study the impact of Arawari parliament in Rajasthan

Water Conservation in Desert Areas:

In the area surrounding the River Ruparel in Rajasthan, the story is different - this is an example of proper water conservation. The site does not receive even half the rainfall received by Cherrapunji, but proper management and conservation have meant that more water is available than in Cherrapunji. The river Arwari is also become perennial because of sincere efforts of people from catchment areas.

The water level in the river began declining due to extensive deforestation and agricultural activities along the banks and, by the 1980s, a drought-like situation began to spread. Under the guidance of **Tarun Bharat Sangh** the women living in the area were encouraged to take the initiative in building johads (round ponds) and dams to hold back rainwater. Gradually, water began coming back as proper methods of conserving and harvesting rainwater were followed. The revival of the river has transformed the ecology of the place and the lives of the people living along its banks.

Keywords: Conservation, resources, water, Rajasthan, India

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The new challenge of Japanese and Italian textile industrial districts under globalization: The case of Prato and Bishu Wool District

With the internationalization of economic activities, in the economic scene the spotlight has been more and more monopolized by multinational companies and their global strategy, while the local importance of small and medium sized enterprises has been greatly underrated. Nevertheless, as showed by the successful growth of the industrial districts in the ex late-coming economies, Italy and Japan, in the Post War Era, SMEs are far from being a marginal economic; rather, gathering in industrial agglomerations, they may be able to drive local economic development and contribute to a country's overall economic growth. Industrial district is a

concept elaborated in Britain by Marshall (1891) and further developed and described by the Italian economist Beccatini (1990) as “socio-territorial entity characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area with a dominant industrial activity”. In contrast with Porter’s industrial clusters (1990), in which external MNCs may act as anchors to the regional economy, IDs are characterized by groups of all collocated SMEs, which operate in light manufacturing sectors of the economy. In the ID model, there are usually no large companies within the region but, instead, a sophisticated production system with a clear division of labour between a dense network of SMEs involved in the same sector and in related sectors. The development is endogenous, based on the exploitation of local resources (entrepreneurs, capital, labour) and on the implicit respect of a local code of experience, beliefs, behavioural aptitudes, guaranteed by the local social, political and economic institutions. Firms achieve economic efficiency through local outsourcing and learning processes, which create economies of specialization, and the flexibility of their production arrangements. The author demonstrates that Marshall’s ID paradigm can be also apply to Japanese local economic reality. In particular, the paper compares the textile districts of Bishū (Japan) and Prato (Italy), which, in reason of the high number of employed resources and the process of maturation of the light sector in developed economies, are nowadays critically exposed to global competition. Despite practical differences in location and business culture, Bishū and Prato share both developed in the post-war period as wool producer districts and, nowadays, as unique producers among the developed countries, they are facing the disruptive pressure of the external forces of globalization. Furthermore, in the production of wood fabrics and clothes, they share the same productive structure: wool value chain is fragmented in a series of sub-processes undertaken by specialised single firms, with, on average, less than 10 employees, and coordinated on the whole by a “converter firm”, in charge of the design and the sale of the final product. In the author’s intentions, a comparative analysis of the Bishū and Prato’s mutual problems, strategies and structural evolution in the current globalized era may make the process of activation of the district’s forces and the reorganization of the textile sector in developed economies more practicable and open a scenario of constructive cross-bordering cooperation between local industrial agglomerations.

Keywords: IDs, SMEs, globalization, textile sector, wool production

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Sovereign wealth funds and economic development: Friend or foe?

A growing number of scholars across the social sciences recently have sought to understand the rise of Sovereign Wealth Funds, probing issues of international economics, the implications for geopolitics, and the governance of SWFs as financial institutions. This paper contributes to this burgeoning scholarship by focusing on the role of SWFs in economic development. Many low- to middle-income countries are establishing or considering the establishment of a SWF to manage their resource wealth and/or recent gains in trade. On the one hand, possessing an SWF is an attractive option for a developing country in that it provides access to global financial markets, allowing a country to diversify its wealth to protect against an economic shock and to access investments in technology and firms that may support the country’s development. An SWF may also provide a developing country with increased diplomatic recognition, particularly as developed countries are wary of emerging market SWFs while also interested in attracting capital from them. On the other hand, establishing a SWF may divert resources away from investment in current development needs that will benefit economic growth in the long term, such as investment in infrastructure and education. In other words, a SWF may distract governments from facing pressing development challenges, thus negating some of the benefits a SWF may acquire in its global asset portfolio. To analyze this dilemma and to understand what governance factors leverage a SWF to provide benefits both domestically and internationally, this paper surveys the scope and function of SWFs in low to middle-income countries in relation to the general economic policy and development trajectory of a country. Specifically, the paper compares the cases of Vietnam, Botswana, Trinidad and Tobago, and São Tomé and Príncipe.

Keywords:

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Clusters and cluster policies in cross-border regions: The case of the automotive industry within the Greater Region Saar-Lor-Lu

Growing global competition, saturation of markets in the industrialized countries, and the need for technological innovations in the context of global change are continuously influencing the performance and organizational structure of the automotive industry. Western European enterprises as well as entire automobile regions are, for example, increasingly challenged by new competitors in low-cost regions. At the same time, the heralds of another technological revolution have effects on automobile producers as well as suppliers, as the use of new propulsion technologies or light weight materials will lead to modifications of almost all modules of the car. Further challenges result from the uncertainty which specific technologies will be used (in the case of

propulsion: hybrid, electric, or fuel cell?) and when they will be used. This overall unstable situation of the automotive industry was further intensified by the recent global economic crisis in 2008/2009 which jeopardized in particular the existence of small second and third tier suppliers at the regional level. Regional politicians and trade associations try to respond to these threats by implementing cluster policies which aim at fostering regional co-operation, technology transfer and marketing. In the context of cross-border regions, such as the Greater Region Saar-Lor-Lux, politicians from the regional to the European level see cross-border initiatives as an additional approach to strengthen the economic position of the enterprises. However, numerous studies as well as own empirical fieldwork show that cross-border economic activity is still rare. The submitted paper will address reasons for the absence of intensive cross-border contacts within the automotive industry of the Greater Region Saar-Lor-Lux. This topic will be studied by adopting the theoretical framework of the relational economic geography in general, and conceptions of institutional and evolutionary economics in particular. In doing so, the paper will reveal a complex constellation of parameters belonging to various spheres which either foster or hamper cross-border co-operation. First, it is important to take into account that several groups of actors – from entrepreneurs via regional politicians to supra-regional actors as the European Union – are involved in the process of implementing cross-border initiatives. Second, within these groups different actors are characterized by different attitudes towards such initiatives and possess unequal power to carry their point. In general, small enterprises seem to have a bigger stock in regional networks than global players, as they are usually more dependent on the regional level. Third, besides these “personal” or group related elements, several “spatial” criteria exist which belong to the socio-institutional dimension (language, legal systems, administrative competence, etc.) and which are mainly beyond the influence of regional actors. Finally, the paper will show that all these parameters are not static but change which leads to different degrees of co-operation during different periods of time.

Keywords: Clusters, cluster policies, cross-border regions, automotive industry

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Capitals of capital: Dublin, Geneva and Luxembourg between regional co-operation and global competition

Despite the integration of national markets into a supranational system, financial capital remains unevenly developed. Financial activities tend to be highly concentrated, and only a few cities – international financial centres (IFCs) – seem to have the necessary infrastructure and resources to command and coordinate financial capital flows across the globe. A number of ‘new’ IFCs are now entering the global arena, providing favouring conditions for (local) financial production. Thus, national-level regulation has become a source of competitive (dis)advantage. Apart from a distinct hierarchy of globally leading and strong regional financial centres, a number of ‘global specialists’, like Luxembourg, operate in financial niche markets and have been persistently defending their position within the international financial system. The paper will focus on the financial products of private banking and wealth management, for which European financial centres (EFCs) Dublin, Geneva and Luxembourg have been developing specific production conditions and institutional settings. IFCs provide specific institutions for a highly specialised economy. Hence, not only finance related firms compete on a global level, but IFCs themselves. We argue that despite Dublin, Geneva and Luxembourg being direct competitors, these IFCs are forced into a certain kind of co-operation to sustain competitiveness. However, pressured for their bank secret or ‘tax haven’, they need to re-regulate their institutional settings but certainly act under different conditions. Dublin and Luxembourg operate under EU regulations, whereas Geneva is not subject to these restrictions. Further, opaque financial products, such as discretionary investment management, have a distinct spatial configuration of information embedded in their design (Clark & O’Connor 1997). Indeed, empirical evidence suggests strong, historically grown relations between e.g. Swiss and Luxembourgish asset managers, which form tight networks of social relationships as well as informal rules and are thus constitutive of the specific markets (Peck 2005) for private banking. Within the context of their competitive relations but also against the background of tight – co-operative – social relations among bankers and asset managers, we assume that in the near future the creations of IFC-networks on an institutional level will deepen and impact the spatial (re)configuration of EFCs. In order to better understand these processes within the tense environment of competition and co-operation, the paper aims at examining and assessing established conceptual outlines on financial centres (e.g. Poon et al. 2004; Clark & Wójcik 2005; Grote 2009) and networks of cities (e.g. Taylor 2004; Sassen 2007). Since Dublin, Geneva and Luxembourg are highly specialised cases, the paper will propose necessary conceptual adaptations in preparation for further empirical investigation.

Keywords: IFCs, networks, co-operation, competition

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Innovation dynamics and location of the wine industry in Canada

In recent years, much of the literature concerning industrial competitiveness has focused on the study

of the conditions that lead to the geographical concentrations of certain economic activity. Many of these studies have dealt with the nature of regional agglomerations, better known as regional clusters. An attempt is made in this paper to contribute to these debates by enquiring into the innovation dynamics in the wine industry. A first research question relates to whether a specific innovation pattern of wine industries exists. There is a pronounced lack of knowledge in the wine sector, and particularly concerning innovation activities and dynamics in the context of Canada. A second research question concerns the possible differences in innovation dynamics as regards to the regions of Ontario, British Columbia and Quebec and the extent to which innovation dynamics vary systematically between these regions. Regional differences could provide new and important insights into the importance of the various contexts and environments where learning and innovation take place in the wine industry. Although it is relatively small, with about 3,000 employees in 321 wineries, the study of the wine industry in Canada is nevertheless an interesting case for at least two reasons. First, it is an industry that recently developed in Canada (in the early 1980s), and comprises firms that are expanding rapidly, challenged by specific conditions such as a regulatory framework and climate specificities regarding adaptation. Second, very few statistical data concerning wine industry are available in Canada. This is especially true at the regional level as there is no systematic compilation of information on the competitive strategies and innovation dynamics of wine industry in Canada. This research will attempt to fill this gap by analyzing innovation dynamics in three selected wine regions in Canada. Overall, the paper contributes to the literature on regional innovation by providing new empirical evidence illustrating the mechanisms that stimulate learning and innovation in the wine industry. The analysis provides useful insights into the strategies and practices that firms might implement to foster sectoral level of growth and innovativeness and suggest, more broadly, that the wine sector can significantly contribute to the competitiveness of the Canadian economy. The comparative study highlights the differences between the regions, while pointing that the innovation dynamics of firms vary between the different locations.

Keywords: Innovation, networks, clusters, wine industry, Canada

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Limits to financialization? Uneven development and the financialization of (formerly) developmental states

There is a diverse and growing literature on the geography of financialization, however, little of it deals with the effects of financialization in regions outside of Europe and North America, especially in places like South Korea, which has undergone significant financial restructuring in the past 15 years. We argue that the case of South Korea, and other, former developmental states like it, can be used to expand this literature by showing how financialization, as a process, articulates itself in a geographically uneven and institutionally variegated manner. This differential geography, we argue, can be analyzed through focusing on the situated relations through which various circuits of capital and institutional trajectories are articulated, particularly in terms of the ways in which crises and other episodes of creative destruction intersect and produce new institutional geographies of financial circulation that have significant implications and limitations for capital accumulation and economic development. We conclude by suggesting some empirical areas where further study might help revise existing models of financialization to better take into account the experience of financialization in (formerly) developmental states like South Korea.

Keywords: Financialization, South Korea, developmental states, capital accumulation, economic development

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Hien Dai Hoa [Modernization]: Policy and practice in the peri-urban

For over 15 years, the Vietnamese state has aggressively pushed a campaign of “Industrialization and Modernization” [*Cong nghiep Hoa, Hien dai Hoa*]. While the goals of ‘industrialization’ are clear and concrete, the goals of ‘modernization’ are at best vague and undefined. In this paper, we examine how this process of ‘modernization’ undertaken by the Vietnamese state, although ill-defined has nonetheless transformed the countryside, a transformation dramatically visible particularly in the peri-urban regions. Modernization here has created both opportunity and misfortune for the local residents of the peri-urban. While the pursuit of modernity by the state has created opportunities for local residents to pursue their own modernities, the lack of definition of the state’s vision has led to unanticipated outcomes. The implementation of ‘modernization’ policy has thus become strongly associated with land dispossession and rural and peri-urban poverty. These have created not only strongly disadvantageous material conditions of life for many, but also challenges to state authority and legitimacy. Thus, ironically, state policy to create a strong ‘modern’ nation and thus boost state legitimacy has led instead to popular challenges to that legitimacy.

Keywords: Peri-urban, modernization policy, Hanoi, Vietnam, *doi moi*

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A new geography of regional development and trade?

Existing theories of geographical specialization and trade can be classified into four categories: supply-side, demand-side, endogenous growth, and institutional models. In the recent past economic geographers have trodden a path that is strikingly different from that of geographical economists concentrating for the most part on detailed examination of production structures, of institutional factors and more recently of evolutionary mechanisms. In the Heckscher-Ohlin-type supply-led model, the geographical specialization and real trade are driven by comparative advantage and its determinants which for Heckscher-Ohlin are resource endowments. In the Kaldorian-type Keynesian demand-led model, aggregate supply is adjusted to accommodate demand-led changes in actual output through changes in utilization of production capacity. Some variants of this demand-side approach consider the role of a set of positive and negative feedbacks of the type found in Myrdal's circular and cumulative causation model. North and Williamson introduced institutions and transaction costs in the new institutional economics. In economic geography most attention has been paid to specific analyses of the chains linking upstream and downstream activities into production networks using GCC/GVC/GPN approaches. Economic geographers have examined the institutional context of regional development (e.g., Amin and Thrift's institutional thickness) but the relationships between institutions, regional development, and international trade are not properly/fully theorized. On the one hand some of the insights concerning the roles of resource endowments, demand-side conditions and endogenous growth of the geographical economics are underplayed. On the other instead of a one-way impact on regional development and international trade, the formal rules and informal constraints interact with both supply and the demand sides in regional development and international trade, and the consequences of such interactions contribute to the evolution of local and even international institutions.

Keywords: Regional development, international trade, institutions

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Is social capital useless for explaining economic development in post-communist countries? Evidence from Polish regions

The role of social capital in economic development is widely investigated by many researchers: economists, sociologists, geographers, etc. Theoretical considerations indicate positive links between bridging social capital (that is associational activity and generalized trust) and development. However, empirical tests give often mixed support for this relation. Most of the research use cross-country data, but due to lack of comparable statistics often they do not include Central and Eastern European countries. These nations, however, are interesting because of their different historical, political, economic and social context related to the transition from a centrally planned to a market economy. Main objective of this study is then to establish whether social capital has positive or negative impact on economic growth in Poland on the regional level. A set of indicators from various sources (statistical office, database of non-governmental organizations ngo.pl, religious groups, social surveys) is used to describe both structural and normative aspects of social connectedness, e.g. neighborhood and friendship ties, sports and cultural activities, voluntary associations, social trust, etc. Two-stage analysis is used to, at first, uncover the spatial patterns of social capital in Poland and explain why some regions are endowed with more networks of different types, and, consequently, to find a relationship between resources of social capital and economic development in Polish regions. Principal component analysis is conducted to discover whether obtained independent components are in line with theoretical considerations (structural and cultural aspects, bridging and bonding social capital). Spatial distribution of factor values for 66 Polish statistical subregions (NUTS3) gives an answer to the first question on features influencing this pattern (e.g. historic regions, urbanization, education level, unemployment, ethnic, religious and regional minorities). Finally, regression analysis is used with regional growth, as dependent variable, and social capital components identified in PCA, together with a set of traditional determinants of regional growth (representing financial and human capital), as independent variables, to discover relations between social capital and economic growth.

Keywords: Social capital, economic development, economic growth, Poland, regions

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Welcome to DiverCity! Difference and diversity as urban mode of governance and accumulation

Difference has become a core driving force of economic as well as of urban restructuring. An accelerating differentiation of products and services responds to an ever more diverse landscape of consumers and their needs, while at the same time political discussions are focusing increasingly on the implementation of

new governance tools and policy instruments to recognize and mobilize diversity as a potential and resource within society. At present, numerous cities are implementing new policies of diversity. According to the respective policy papers, cultural diversity should be recognised as a source of creativity, triggering innovation and economic growth. Increasingly they regulate knowledge-based, post-Fordist regimes of accumulation in a new manner. Thereby they cut across traditional political fields such as business development, integration, culture, media or education and foster entrepreneurial diverse and creative selves e.g. by the implementation of diversity management policies in private companies as well as in public life. Policies which promote the potential of diversity for the society as a whole respond to the growing differentiation of the demand side with a diversification of the supply side. The primary aim of these policies is to create a suitable and enabling environment for the production of difference at different scales. The ongoing debate about creative industries and cities is probably the most visible expression of these recent changes. The paper addresses the emergence of diversity policies as an example for the recent transition towards a neoliberal urban governmentality. It deals with the rationalities and technologies of policies which focus on the production of difference within a changing regime of accumulation. It claims that cities and private companies do not acknowledge and foster difference and diversity as a social right or value "per se". New modes governance and management turn diversity into a social form which is always already accountable to economic exploitation and to the integration of diversity into the values chains of (urban) cultural industries. To trace these transitions in the logics of urban governmentality and accumulation the paper addresses the following questions with a corpus-analytical, poststructuralist research design:

- Which new forms of urban governance can be detected to make society accountable for a new regime of differential urban accumulation?
- Which rationalities of "governing at a distance" (Rose and Miller 1992) and "technologies of the self" (Foucault 1993) are necessary to address citizens as creative and diverse subjects and to transform diversity into added value?

Keywords: Creativity, diversity, policies, governmentality, cultural industries

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Selling investment stories before and after the crisis: How banks imagine and perform a new world order

Ever since former World Bank economist and current asset manager Antoine van Agtmeal coined the phrase ‘emerging markets’ to highlight the investment potential of a group of companies that used to be off the radar screen of mainstream metropolitan investors, banks have jockeying with one another for the chance to put their frame on an ever changing landscape of investment. Breaking with the older distinction of first, second and third worlds that was based on the IR logic of variations of political and military resources, banks like HSBC, Goldman Sachs and their star analysts have since the mid 1990s minted new categorizations like ‘CIVET’, ‘Next 11’, ‘Eagles’, the ‘7% group’, and, most famously ‘BRIC’ (and more recently ‘MIKT’) to offer new defining ‘frames’ on geo-economic futures. Since these frames are based on narratives that are linked to proprietary investment funds, they are clearly meant to sell. This is demonstrated by the eye catching presentation Jim O’Neill’s BRICS in the brochures and the website of Goldman Sachs. Banks and their star economists use market reputation, marketing skills and the paraphernalia of academic prestige (footnotes, book publications, academic titles) to sell their stories to a yield hungry audience. In this paper we investigate the specifics of these geo-economic imaginations and their performative effects. In particular, we aim to tease out how these stories have changed in response to the crisis, which, according to many, has accelerated the geopolitical shift from West to East and how these narrative responses have in turn magnified the shift. A further goal of this paper is to raise the slightly discomfiting issue whether the current drive towards increasing specialization in academic social science disables social scientists to offer convincing counternarratives to the stories that banks are telling (and selling). As such this paper is both an exercise in the history of ideas and the sociology of knowledge.

Keywords: Geopolitical shift, global financial crisis, BRICs, emerging markets

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Beyond eclecticism: Arguing for a pluralist and pragmatist conceptualization of the nexus of economy and place

In a world that forces the social sciences to reconsider their ontological presuppositions, economy geography because of its anaemic disciplinary identity seems particularly well-positioned to become the avant-garde in the imminent quest for new conceptualizations of our social and economic reality. However, in reality economic geographers appear too much hamstrung by their traditional ‘envies’ to be able to take that opportunity. Too much current economic geography is conducted in the shadow of neoclassical economics, both in the form of attempts to mimic it and in the form of futile confrontations. Instead, so we argue, geographers should pursue a more pluralist approach to economic reality in order to overcome the dangers of sterile overspecialization that fails to address the big issues of today such as globalization, unequal development, commodity scarcity and environmental degradation. In this paper we turn the traditional openness of economic geography, seen by some as a weakness, to its advantage, by borrowing from recent (re)discoveries in the social sciences (the many ‘turns’ of the last decades) in an attempt to make economic geography more empirically adequate and hence more relevant. In particular, we argue that history matters, that culture matters, that institutions matter, and that we need to replace the rational agent of economics and the other social sciences with a pragmatist conceptualization of agency. While sensible in their right and as such hardly controversial, taken together they suggest a completely different disciplinary ethos from the one found in contemporary economic geography. We illustrate each of these claims with examples taken from our own empirical work in different subfield of economic geography. And each of these illustrations is subsequently linked to the big issues listed above. This should not be misunderstood as a call for unsystematic eclecticism, though. Our borrowings from the other social sciences are based on an ontological pro-theory for which we have retroductive proofs; we simply have to assume that the world is like it appears through our lens of pluralist, pragmatist economic geography if want to make sense of the phenomena. As such, this paper is written in the spirit albeit not according to the letter of critical realism.

Keywords: Theoretical pluralism, economic geography, institutionalism, pragmatism, critical realism

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Conjunctures of money and luxury

According to the Capgemini / Merrill Lynch “World Wealth Report 2010”, the number of world’s High-Net-Worth-Individuals (HNWIs), i.e. those who possess investable assets over US\$1 million, has increased by a whopping 17.1% from its 2008 level, to a total of 10.1 million in 2009. These individuals, who

constitute the top 0.1% of the world's population in terms of wealth, collectively own 39% of the world's total assets, while the bottom half of the population has claims to less than 2% of the assets. The number of world's HNWIs has been increasing for the most part of the 20th century, with a marked leap since the 1970s, as the financial liberalizations, deregulations and technological innovations of the past three decades brought a unique set of individuals to the ranks of the world's super-rich. They are the movers and shakers of the financial world, bankers and financiers, whose high earnings and alleged lavish lifestyles received much media attention and public scrutiny following the financial crisis of 2007-08. However, despite being continually implied, the relation between high-end finance and high-end consumption has not been systematically investigated to this date. This paper aims to help rectify this oversight by analyzing the overlap between the Z/Yen Group's "Global Financial Centre Index" (Z/Yen Group, 2010) and the author's self-constructed database of luxury consumption. The author uses the Dow Jones Luxury Index as a guide in defining luxury goods. The main proposition of this paper is that unlike inherited wealth, wealth acquired through the occupations in the financial sector limits the location choices of the owners of such wealth (also known as working-rich), hence the consumption spaces of rich financiers are expected to be concentrated around the 'natural habitat' of that profession, that is, the International Financial Centers (IFCs). Preliminary analysis of the data shows support for the proposition.

Keywords: Luxury consumption, IFCs, financial geography

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What about people in evolutionary economic geography?

In recent years an increasing interest has been directed towards evolutionary processes of economic change following the notion that history matters for future development. These studies put special emphasis on how the spatial structures of the economy emerge from the micro-behaviours of economic agents (often firms). In this paper we argue that while such an approach indeed may provide new and novel insights on the uneven process of economic change, one important aspect of the economy tend to be neglected, namely the spatial behavior and restrictions of people. In this paper, we therefore outline the ideas to a theoretical framework which more thorough integrates evolutionary economic geography with the time-geographical contribution provided by Torsten Hägerstrand and his adherents in order to provide a synthesis between the interdependent dynamic processes occurring in and between place-specific institutions, firms and people. The paper is structured as followed: First, a critical appraisal of recent evolutionary contributions is presented. This is followed by a discussion on the developments made in time-geography the last couple of decades. The paper ends with a concluding section and an empirical example showing that modern micro-simulation techniques may provide useful insights to the evolutionary processes shaping economic change. The empirical example is framed in recent studies analyzing knowledge flows via the job mobility of skilled individuals within and between local labour markets in Sweden.

Keywords: Evolutionary economic geography, time-geography, labour mobility

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Industries, skills and human capital: How does regional size affect uneven pathways of growth?

Recent years has witnessed a growing interest in human capital and skills in combination with knowledge intensive industries to explain uneven regional growth. Industrial structures have traditionally been central for economic geographers in the attempt to understand what drives regional growth. Human capital and lately more skills oriented theoretical pathways have extended the more traditional industry approach in regional studies. However many of present studies do not take regional differences in terms of central versus peripheral location into account and most studies only consider the influence of one of the three parameters (skills, industry and human capital). This paper examines how the composition of industry structures, skills and human capital is related to regional development in peripheral and central locations. We do this by means of OLS-models to analyze the relationship between regional growth between 2001 and 2008 - measured as employment growth and growth in purchase power - and a selection of variables constructed via register data of the total population in Sweden. Taking the composition of skills, human capital and industries into consideration the analysis demonstrate that both the average income growth and employment growth show positive relationship with a growing creative workforce but that transition from traditional skills towards a workforce with more creative skills only is positive in medium size regions. The empirical findings also indicate that a transition towards more knowledge intensive sectors and higher education levels has the strongest influence on growth in the largest Swedish regions. Consequently, the paper argues that the relation between skills, human capital, industries and regional size is an important parameter when discussing trajectories of regional development and therefore both future regional studies and regional policies needs to be more sensitive to the particularities of regions rather than producing general development policies intended for all types of regions.

Keywords: Regional development, skills, knowledge intensive industries, human capital, regional size

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Spatial polarization of wellbeing in Peru

In the last 25 years Peru has experienced not only the largest crisis of its republican history facing a dramatic hyperinflationary process, but also enjoyed (more recently) 15 years of continuous and sustained economic growth. During both periods poverty has shown huge variations not only across time, but also across space. In this paper we combine information on per-capita expenditure and household data of three Living Standard surveys with census data from three censuses (1981, 1993 and 2007) to produce census-based poverty and inequality estimates across space and time. We show that although overall inequalities (measured by Theil or Gini coefficients) show a downward trend, at the same time increasing horizontal inequalities arise. In particular we observe a long term trend of spatial polarization of wellbeing as Metropolis and large cities capture the bulk of growth, leaving behind population living in small cities towns and disperse rural areas. Further we explore the importance of spatial factors in the dynamics of poverty in Peru recognizing that the effect of private assets or the effect of the access to public infrastructure are not constant throughout space. Spatial heterogeneity may arise because environmental factors may operate differently at the local scale. It may also be the reflection of nonlinearities arising from complex phenomena. In particular, parameter heterogeneity may be the reflection of local institutions. To capture this spatial heterogeneity we have estimated poverty profiles allowing for parameter heterogeneity using a geographic weighted regression technique. Our results suggest that there is indeed a high degree of parameter spatial heterogeneity suggesting that local institution may play a critical role in shaping the rate of return to public and private assets

Keywords: Spatial polarization, income distribution, poverty mapping, small area estimates, Peru

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Can money buy knowledge? The acquisition of global human capital in the Arab Gulf States

As the production process has become more complex, knowledge-intensive and international, human capital (e.g. knowledge, innovation, and entrepreneurship) is now emphasized over natural or physical capital as the key determinant of place and firm competitiveness. The primary difference is that human capital is found in people: intelligent, mobile factors of production, which are capable of teaching, learning and doing. Can places attract and utilize global human capital and foreign knowledge via flows of migration, trade, and investment as a means to generate local development capacity? This is the experiment in the Arab Gulf States of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, which have used their oil revenue to buy, rent and import non-oil development capacity. Fueled by the recent (1998-2008) oil boom, the region's governments have invested heavily in massive urban development projects designed to create global finance, trade, tourism and education hubs. In stark contrast to local demographic and employment dilemmas, these ambitious post-industrial development plans have stimulated a powerful new demand for expatriates to fill related skill and technology gaps. Indeed, the Gulf States have sought to leverage their ability to attract foreign labor, knowledge and technology, learned through oil development, as a basis on which to construct a new competitive advantage. While the region has clearly succeeded in acquiring state-of-the-art business models, industrial knowledge and technological capabilities, what happens to this global human capital once it is imported? By studying the circulation of knowledge in the Gulf, as embodied by foreign firms and expatriate workers, this paper seeks to answer this question. First, it explores how new forms of development capacity, necessary to create and sustain new industries in the Gulf, are acquired in the context of a global labor market. Second, the geography of knowledge is studied, to understand how or whether foreign knowledge can be transferred to a local host market. This is accomplished by presenting results from surveys conducted with 300 foreign and local firms from throughout the Gulf region and key-informant interviews undertaken with 30 representatives of firms in Abu Dhabi and Dubai.

Keywords: Knowledge, migration, oil, Dubai, Arab Gulf States

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Co-authorship networks and its academia-Industry linkage: The case of China's genetic-engineering pharmaceutical industry

This paper examines the innovation networks and its academia-industry linkage in China's genetic engineering pharmaceutical industry by adopting the 2004-2008 co-authorship data harvested from the CNKI database. A combinative perspective is proposed as theoretical framework: the systems of innovation theories and the Triple Helix Model. The former focuses on systematic institutional arrangements and inter-firm relationship for the development of the innovation networks, while the latter stresses the importance of academia-industry linkage for innovation performance. Social network methods are applied to analyze the connectivity and structures of the focal networks and academia-industry linkage. The results reveal that the focal network is characterized with low density. However, contrary to some popular notions, academia-industry connections play an important role in the overall network connectivity. Besides, academia-industry connections are not dominated by relatively more influential stars. This suggests the key role played by academia-industry connections in shaping China's innovation landscape.

Keywords:

Balázs György Forman, Corvinus University of Budapest. Email: balazs.forman@uni-corvinus.hu; Global financial crisis: Rethinking of money without internal value

Internal value of money, use of Heisenberg-Schrödinger dichotomy in international capital flow, value of money what based on confidence for example of USA, EMU and some emergency economies.

The intrinsic value of money

1. Closed economy, the adoption of official coercion money, money and capital markets, joint investment protection of the goods balance, $I = S$, provided you have yet to add " $G = T$ and $X = M$. Foreign exchange is concluded. Question on how to start the economic growth?
 - o Without external resources, using only internal resources and / or redeployment. Centrally selected for several sectors, which are developed, where the investment is carried out, while the economy is lagging behind the rest of the net investment, but sometimes also the depreciation of restorations. The former socialist countries, the agriculture and transport, the economy was a net source of finance. The loss of investment, however, long-term deficits - food shortages, insufficient transport services - to cause the segments. This is a hidden price increase, or (corruption) or high inflation causes.
 - o Without external resources, redeployment of internal resources only take place during the war economy. Then the government to allocate funds without any currency issue by applying again for the benefit of its available income. The costs of government overspending, or armaments, ultimately, the public pays for the declining standard of living and reálbérekkkel. The consequence of generally high inflation. Extreme example: if a war can not be restored at the end of the economic balance, and even reparations should be paid, transfer of resources occurs, the result will be hyperinflation.
 - o The internal standards of living or the preservation of low inflation becomes a political goal. At this point in the development of additional sources of foreign loans will be. However, the loans must be repaid. For this rising exports and loans from exporttöbbletre or higher is required. The economy becomes increasingly open, but the policy decisions because of growing inflationary pressures.
2. Open economies if we're providing the investment protection money? External and internal értékállóságról talking about.
 - o Commodity market equilibrium: X or $X = M > M$
 - o Current account balance

But the facts are well known. But why do we take a country's currency?

- o Want to buy products from that country. Resource (oil), cheapness (comparative advantage), quality (brand).
- o If you do not have the goods, you will be able to buy a service.
- o If you do not have enough product, you can buy a country ingatlanjaiból, natural resources, vállalataiból. (Konvertibilis a valuta.) (Convertible currency).

But they are still material values. Prevail in the short term. Long term have limited information for us.

- o What is the quality of the product, you buy it? Particularly interesting is the durable consumer goods and investment javaknál. Complex products are concerned, where the consumer has a limited capacity to process a large number of product information. This is complemented by a product, brand, national brand-in faith, a positive expectation of trust.
- o The services are important to the ability to attain them. There is a better choice or no other alternatives ..

- Property, production is important when purchasing property in security: nationalization, corruption, crime, or the existence of a risk. If they are, then the risk premium increases, increases in the amount of profit expected by investors.
- 3. We guarantee the replacement of the value of money? (Regulatory environment).
 - To enforce the contracts? Can I be forced to pay the buyer? (Commercial law).
 - A buyer's bankruptcy or liquidation, there is a chance that the value of the delivered goods or services received by the supplier?
 - Is it possible to collect reliable information to business partners? (Register, tax authorities, auditors, rating agencies, chambers of commerce and accounting laws.)
- 4. How the state can guarantee the value of money?
 - Responsible for economic policy, limiting the budget deficit. (Short term)
 - The structural budget balance (the medium and long term). For example, the pension system sustainable in the current rules, in addition to the aging process?
 - It has the economic policies of the State is responsible for verifying and enforcing a balance of power, institutions? State Audit Office, an independent central bank, etc..
- 5. What impact has the value of money?
 - The size of the market.
 - The rate of economic growth.
 - Innovations and the ability to treat the asymmetric economic shocks.
 - The population changes and aging.
 - The cheapness and security of energy supply, but it can also discussed water and arable land.
 - The environmental protection and restoration of the expected and estimated costs.
- 6. Summary

What impact has the value of money? Confidence to a visibility, a rational make decision and ability to treat the different economic, social, environmental challenges.

Keywords: Internal value of money, use of Heisenberg-Schrödinger dichotomy in international capital flow, value of money what based on confidence for example of USA, EMU and some emergency economies

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Resistance and strategic responses in food supply networks: Metro Cash & Carry in Bangalore

The transnational expansion of large retail and wholesale companies such as Metro, Carrefour and Wal-Mart has caused changes in the market situation and consequent power shifts, not only in the retail sector but also in the supply networks in host countries. These developments at least potentially endanger the livelihoods of old established retailers, intermediaries and employees of these businesses. Thus, it is not surprising that the investments of the transnational companies can result in resistance from the named groups. As the case study of Metro Cash & Carry and its activities in the federal state of Karnataka (India) in this paper shows, this resistance can influence the activities of the company to develop a modern supply network. This study analyses the way in which the actors of resistance develop and exercise power and how this power influences Metro. The results show that the resistance groups do not necessarily have to exercise their collective power to influence the development of the supply network; the other actor's fear of resistance alone is able to effectively impact their behavior. The strategic responses of Metro to the resistance can be divided into three categories: (1) symbolic adaptation to the demands of critics, (2) cautious, gradual development of a modern supply system and (3) deepening embeddedness. The Global Production Networks approach is used as an analytical framework.

Keywords:

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An emerging innovative milieu in the Pearl River Delta, China? The role of social and organizational proximity for product innovation

With the urgent need of Chinese government to initiate endogenous upgrading and innovation after the financial crisis, the issue of localized learning and innovative milieu is of great relevance. In this paper, we investigate how the innovation behavior of firms to capitalize on either social or organizational proximity contributes to innovation in the Pearl River Delta (PRD), China. We aim for insights into whether localized innovative mechanisms based on informal social relations have emerged in the region. Based on a questionnaire survey of 422 electronics firms, this article demonstrates that firms that use social proximity to foster innovation are emerging in the PRD, while firms that rely solely on organizational proximity have a limited scope of product innovation and are experiencing difficulties in coping with the recent demand shock. However, socially

active innovators were not found to outperform organizationally dependent innovators in a significant way after controlling for other firm-specific variables. The result of the paper affirms the positive role of proximity use in innovation activities and gives insight into the development stage of innovative milieu by comparing the role of social proximity and organizational proximity, which contributes further to the scope of spatial innovation studies from the proximity perspective.

Keywords: Social proximity, organizational proximity, product innovation

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Culture and diversity in knowledge creation: The story of the Tower of Babel revisited

Abstract

Keywords:

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Developing cities: Comparing the urban experience in the U.S. and India

Abstract

Keywords:

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The developmental state and the geopolitical economy of Asian regional development in the Cold War Era: The Philippines, South Korea, and Thailand

Many theorists of East Asian economic growth have posited that the reasons for economic dynamism in the region include the presence, throughout East Asia, of a series of developmental states. In contrast, this paper argues that developmental states were not pervasive throughout the region, even in the Cold War era, and that much of the regional dynamism of that era must be explained by other factors that include the effects of the Vietnam War. On the other hand, the presence of developmental states in a few places, such as South Korea, does explain well the differences in the patterns of industrial growth among different states in the region, including some that grew rapidly, such as Thailand, and some that didn't, such as the Philippines.

Keywords: Developmental states, East Asia, geopolitical economy, Cold War, industrialization

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The global economy, the Global South, and the geopolitical economy of industrialization

It has been common in recent discussions of the contemporary global economy to suggest that the notion of “Global South” is no longer coherent, if it ever was. In this talk, I suggest that a suitably flexible notion of the Global South as a set of spatialized economic processes is still quite relevant. I also show that for the term to have had cache historically it must always already have referred to a complex and variegated “entity” within which dynamic processes of capitalist transformation were at work, rather than to a static group of national economies—and, crucially, that geopolitics have always been central to the production, reproduction, and escape from the Global South. I make this last argument by noting some implications of research I am currently conducting on the development of South Korea's chaebol, the giant conglomerates that have transformed the South Korean economy.

Keywords: Global economy, Global South, geopolitical economy, South Korea, chaebol

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Organized networks and the creation of network goods

The public desire for successful networks has fueled network and cluster policies with often limited success. Costly policies are mirrored in only few success stories. Why do networks often fail? The aim of this paper is to identify mechanisms of endurance and long-term economic gains of organized interfirm networks. It departs from some limitations in current research: first, while talking about networks most research has been focusing on individual advantages of focal actors rather than the effects and outcomes at the network level (Burt, 1992; Owen-Smith & Powell, 2004; Uzzi, 1997). Opportunistic behavior of a strategic network actor, however, does not suffice but often inhibits collective gains of cooperation. Second, research on organized networks is very scarce. Only recently has emerged a systematic interest in networks as organizations and their governance challenge (Provan, Fish, & Sydow, 2007; Provan & Kenis, 2008). This paper argues that networks do not sustain if they fail to generate collective value. We develop the concept of the network good, theorize its economic quality, and argue that in creating network goods, members produce collective value that makes membership stable and profitable. Our unit of analysis is the organized network of multi-lateral for-profit collaboration between actual or potential competitors. To illustrate our argument the paper focuses on one major type of network good: knowledge. The successful creation of knowledge and its provision to the network compensates even for high membership costs. The downside of network goods rests in the classic disincentive to participate in collective goods production: why create knowledge and bear individual cost, if everybody is entitled to use that knowledge freely afterwards? Free-riding lowers knowledge creation and leads to network failure. This paper demonstrates empirically, that the reality is more complex. Based on interviews and a network survey on the 28 members of a network of dental laboratories, we provide evidence that participation in knowledge development projects leverages the individual benefits higher than for non-participants. Nonetheless, the collective benefit also rises. The empirical analysis demonstrates the net gain of cooperation between competitors and provokes future research on the mechanisms that render organized network sustainable.

Keywords: Organized network, network good, cooperation gains, network stability

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Analysis of the production and trade of cotton in the region of “Comarca Lagunera” (Durango and Coahuila, Mexico), to propose measures for economic

Cotton is the fiber textile plant world's largest soft. In the fifteenth century British trade began to develop during the seventeenth century England became an important center for cotton production. In the U.S. this crop was introduced in the eighteenth century and came from the southern regions of America where he improved. In Mexico, the first region in which it is believed that cotton was grown in Veracruz. Reaching a production during the sixteenth century from 116 million pounds, but fell to the Spanish arrival. After 1860 increased interest in various regions of Mexico. The zones that are dedicated to growing are located in north of the country and around the United States like the “Comarca Lagunera” region. The cultivation of cotton (*Gossypium hirsutum*) is the most important agricultural activity of raw material supply to the Mexican textile industry and increased use in the world, and generates employment for thousands of Mexicans from the area dedicated to production, industrialization and marketing. Its market covers 56% of all fibers sold in the U.S. used to make clothing and household items, as well as their applications in personal care products nonwovens. The main cotton producing countries are China, United States and the Soviet Union, followed by India, Pakistan, Turkey and Egypt. In Mexico, the major cotton producing states are: Baja California, Coahuila, Chihuahua, Durango, Sonora and Tamaulipas. Chihuahua remains the largest producer of cotton at the national level 176 000 544 tonnes, representing 46% of national production. (SIAP / SAGARPA). Cotton production in Mexico has been a traditional crop and important for its social character generator of jobs in each process, from production to processing. Their commercial use includes two products that are derived from bone cotton are the cotton boom, destined for the textile industry and the seed is used as a nutritional supplement for dairy cattle and the oil extraction industry for human consumption, this latter is not used in the Laguna region since all seed sold to farmers stables. The cotton variety grown in Mexico is *Gossypium hirsutum* which is a variety native to America. The output of the Lagunera Region is mainly intended to intermediaries in the same region, which later sold the product to textile companies. This paper addresses the state of world cotton market, national and Lagunera to designing strategies to help improve the development of the region. Since the nineties, the production of cotton in the Laguna Region was affected by the incidence of pests and diseases, resulting in high costs to combat them, with increased production costs. In addition to a fall in the price of the product that occurred between 1992 and 1993, passage of 0.75 USD to 0.52 USD. Another factor affecting this situation was the fashion of the use of synthetic fabrics. As displaced cotton fabrics in the “Comarca Lagunera” Region, Mexico and several regions of the world. These events affected both the textile industry and the workforce needed for the production of cotton. Another event that affected the cotton production was the presence of middlemen who monopolize the profits of producers. Currently the market for fabric fibers took a stunning turn due to the importance that the use of natural products that do not harm the environment, and has been reducing the consumption-based synthetic oil, and this is remarkable production and world cotton consumption to maintain an upward trend, and new technologies, including biotechnology, are transforming the business, such as the presence of genetically modified cotton varieties in the market with greater resistance to pests and disease, drought and production of high quality fiber, allowing a large reduction in costs mainly for pest control was a problem that affected cotton production. The implementation of transgenic cotton varieties in 2006/07 accounted for more than a third of the crop area worldwide. This new picture is a good opportunity for “Comarca Lagunera” Region revive its economy with the cotton crop and re-enter the market, because this region is a major producer of cotton after Chihuahua and the greatest performance (ton / ha) has, in addition to the climatic conditions in the production and fiber quality.

Keywords:

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Global fishery and its impact on the environment

Despite the name, the targets of fisheries include not only fish, but also other sea animals, invertebrates, and algae. In 2006, 81.9 million tons were harvested in seas and 10.1 million tons, in inland waters (State of world fisheries 2009). Several species form the major part of the catch: herring, cod, anchovies, tuna, flounder, mullet, squid, shrimp, salmon, crabs, lobsters, oysters, and scallops. Fishing gear is divided into active (moving in water) and passive (stationary). It is categorized based on function as follows: (1) filtering gear (trail net; seine net—shore seine, ring seine, purse seine, dredge etc.); (2) enmeshing gear (drift net, stationary net, stationary seine); and (3) hook gear (trolling, hook longlines, etc.). The by-catch has the strongest influence on the environment. The percentages of the desirable and undesirable catches depend on many factors and vary greatly. On average, the by-catch comprises 33% of the total catch around the world (Norinov 2004). The by-catch can include (1) fish; (2) mammals; (3) reptiles; (4) birds; and (5) different seabed biota. In catching fish, the presence of other species in the haul is unavoidable. Usually these species are less valuable, and they are either thrown back into the sea or reprocessed (usually for fish flour production). Mammals are

often found in the by-catch. For example, the number of *whales* that die when accidentally caught exceeds the number of whales caught intentionally. Reptiles in the by-catch are mostly represented by *turtles*. The main reasons for marine bird fatalities (albatross, tufted puffin, etc.) are getting tangled in fishing gear or getting hooked when swallowing the bait. Seabed biota (echinoderms, polychaetes, molluscs, sponges, crustaceans, etc.) are in the by-catch of trawls, dredges, and traps, which are installed on the bottom or dragged along it. For example, when cucumaria are caught by trawls in winter, it is lethal for them. Sponges often get seriously damaged and do not survive after they have been returned to the water. The second important consequence of fishery is habitat deterioration. Much fishing gear is dragged along the sea bottom, damaging algae fields in particular. Thus the risks of juveniles being exposed to predators rise (Jenings and Kaiser 1998). Removal of seabed biota (sponges, hydroids, bryozoans, amphipod tubes, etc.) can also result in habitat deterioration (Turner et al. 1999). Indirect impacts include changes in the numbers of prey organisms available to predators; changes in the numbers of predators, which take out the prey; and influences on interspecies competition intensity. For instance, the diet of many seabirds and mammals is restricted to a very limited number of fish species, and decreases in ichthyofauna stock (as a result of fishery) will immediately reflect on their reproduction and abundance. So, fishery has significant environmental implications. Impacts are the greatest in equatorial reefs, on solid substrates in temperate waters, and in the depths. The influence on communities of sandy bottoms on shallow shelves is insignificant by comparison, because they have already adapted to constant movement and mudding (Jenings and Kaiser 1998).

Keywords: Fisheries, by-catch, environment, habitat deterioration, impacts

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Distance as asset? Knowledge collaboration in hybrid online communities

This paper takes issue with the reification of proximity as a precondition collaborative knowledge production. It aims at developing a more differentiated view on the subtle spatiality of learning and innovation by focussing on knowledge practices in which physical and relational proximity are quite obviously dispensable. More specifically, the paper explores interactive knowledge collaboration in “hybrid online communities” in which face-to-face encounters are the exception rather than the rule, and personalized trust hardly is present. The paper is based on an in-depth “ethnographic” analysis of nine online communities that involve firm-hosted online communities (like the Huggies Happy Babies Forum), firm-related online communities (like the Nikonians community) as well as independent communities (like the Sandborder community). Based on our empirical analysis we shall demonstrate that knowledge practices in hybrid online communities can achieve quite demanding collective goals in a wide range of knowledge domains despite the obvious lack of physical and relational proximity – a possibility that is only hardly acknowledged in the literature, particularly in the economic geographic one. Second, our analysis systematically explores the spatialities of these communities that only at first glance appear a-spatial. Our empirical cases shed new light on the tensions between knowledge circulation on the one hand and the spatial situatedness of knowledge practices on the other. The observed online communities do not only connect like-minded though geographically dispersed people but also related localized practices and thus similar local contexts of knowledge creation and application. These interdependencies between online environments and the physical and spatial context are far more complex than the so far predominant question of the substitutability of face-to-face-encounters through online exchange suggests. Third, rather than regarding online exchange as a deficient substitute of face-to-face interaction, we appreciate the unique qualities of online interaction in enabling knowledge production. In contrast to ephemeral face-to-face-exchange, the protocols of online interaction sustain cumulative knowledge production and generate collective memories. The low multiplexity typical for online interaction cultivates a sense of strict on-topic professionalism. Moreover, quasi-anonymous online environments might engender a re-distribution of influence in knowledge collaboration from formal status to competence, commitment and enthusiasm.

Keywords: Online communities, collaborative knowledge production, user-induced innovation

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Broadband internet and expectations of altered development trajectories for Kenya

Only a year ago, East Africa was the last major region on Earth without fibre-optic broadband Internet connections. People were forced to rely on painfully slow and prohibitively expensive satellite connections. However, the recent arrival of three submarine fibre-optic cables into the Indian Ocean port of Mombasa has now fundamentally altered the connectivity of the region. The expectations for the cable are high. Tanzania’s President, Jakaya Kikwete, for example, sees the cable as a way to allow East Africans to “become part of the global economy.” However, such projections are often made in the absence of data about current East African communications practices. This paper therefore aims to address the changing communications ecology and the effects of the region’s newfound connectivity. It focuses on a sector of Kenya’s economy that has been touted as

a major growth area and has been assigned a central role in Kenya's long-term national development plan: business process outsourcing (BPO). The paper presents initial results from the first stage of a multi-year project. Three data sources are compared: discussions of the economic effects of the cables in local and foreign media, mentions of expected effects of the cables in Kenya's national development plan (Vision 2030), and a series of interviews with managers of small and medium enterprises in the BPO sector. The paper specifically addresses the following five research questions: (I) how are the potential effects of the East African fibre optic link represented in political and public discourse within Kenya and Rwanda?; (II) how are ICTs, including mobile devices, old satellite and new broadband Internet connectivity, variably integrated into value chains and flows of knowledge, commodities and capital?; (III) are there any observable innovative uses of broadband connectivity or unexpected challenges to broadband use?; (IV) how are changes in the use of methods of communication and Internet access linked to altered socio-economic conditions of economic actors?; and (V) how do those changes differ from academic, public and political discourses surrounding potential effects? While huge sums of money have been invested to bring broadband to East Africa, largely to encourage economic growth, very little empirical research has been conducted to examine the effectiveness of Internet connectivity as a tool of development. As such, it is hoped that this paper can contribute not only to debates surrounding connectivity and Internet access, but will also provide the beginnings of a robust evidence base crucial in shaping future rounds of ICT related development projects in low-income countries.

Keywords: ICT, internet, development, outsourcing, East Africa

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The organisational determinants of home bias

This paper deals with the call of Clark "to develop a distinctive approach to global finance" and "for the development of conceptual tools that allow us to map its origin and destinations, assets and liabilities, and its flows in time and space" (Clark, 2005). Following Wojcik (2009), we argue that an analysis of proximities matters to understand the geography of finance and particularly the home bias, i.e the large proportion of domestic equities relative to foreign assets in investors' portfolio. Instead of affirming that investment should be explained by a mixture of rational and irrational behaviour (Sercu and Vanpee, 2007), we consider agents as situated (Rallet, 1999). If the role of proximity is mainly examined for the relationship between investors and corporations, we think that our concern should be to question the constraints and the strategy of financial actors and particularly how the investors deals with information asymmetries to invest. Besides we take into account the fact that investors are heterogeneous and we focus only on one category, the mutual funds. We then introduce organisational factors such as the affiliation to a financial conglomerate to see their impact on home bias. We compute from the Thomson One Banker Ownership database the home bias and the characteristics of the biggest mutual funds.

Keywords: Home bias-mutual funds-proximities-organisation

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Research considerations and preliminary results from a firm-level study of Korea's solar industry

There is now an established body of literature on technological innovation and industrial competitiveness that suggests local or regional conditions can play an important role in the financial, trade, and innovation performance of firms. After first outlining these conditions, this research will examine spatial variability in these conditions in Korea and their utilization by firms in Korea's solar photovoltaic (PV) industry vis-à-vis in-house innovation efforts and firm performance (financial, trade and innovation). What are the local or regional conditions that contribute to these firms' business performance? How are these conditions engaged and at what scales? Given the competition in the solar PV industry in neighboring Asia, namely from long-term performer Japan, emerging China, and more recently India, Korea faces a challenge to meet its self professed goal of becoming a frontrunner in renewable energy technology and usage. Along with providing feed-in-tariffs (with mixed results), the Korean government is in the midst of implementing the first of a three-pronged policy to promote the solar PV industry. Over a span of roughly 20 years, these policies aim to increase product and process technologies, to increase pools of qualified experts, to increase domestic production and utilization of solar generated energy at local levels, and to increase exports in the solar PV sector. Including regional-level large scale solar plant installations, Korea has witnessed the growth of Daegu Solar City and the associated Kyungpook National University Solar Campus, all seen as integral to the creation and dissemination of solar PV technology. There are also a bevy of solar-related research organizations and support agencies. At the firm-level, efforts have thus far been two-pronged; an emphasis on small and medium sized enterprise development coupled with support of entry into the industry by large firms (chaebol) possessing related technologies. These larger firms have integrated extra-local strategies into their solar-PV related efforts. Hanwha, a chemical giant, for example, has acquired a large percentage of China's 4th largest solar firm, and POSCO Power has recently entered into an agreement to build one of the largest solar power plants in the world in Nevada, USA. Clearly,

there are several multi-actor, multi-spatial aspects impacting the innovative and financial/trade performance of firms in Korea's solar industry. In order to understand the associated and spatially complex geography of Korea's solar PV industry, results from firm-level surveys and personal interviews obtained from EXPOSOLAR 2011 will be presented.

Keywords: Korea, solar PV, innovation, place and technology

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“White Knights” from the Gulf: Petrodollar recycling and the restructuring of Rhineland capitalism

Sovereign wealth funds (SWFs) have only recently begun to attract significant attention. This brief time, however, has witnessed dramatic swings in the normative discourses surrounding these investors. In the period leading up to the financial crisis, SWFs were widely feared as instruments of “state capitalism,” threatening to undermine the “market capitalism” (purportedly) prevailing in the West. As the crisis has unfolded, however, an inverse discourse has risen to prominence; with “market capitalism” clearly malfunctioning, the investments of foreign “state capitalists” have come to be widely welcomed in the West for their perceived stabilizing effects. The latter discourse has become particularly influential in Germany, where long-term alliances between German industrial firms and sovereign wealth fund anchor shareholders—provided they are owned by the right governments—are increasingly viewed by companies, political leaders, and organized labor as an attractive bulwark against the stresses of financial globalization. As such, even while the last remnants of the traditional German shareholding network are disappearing, some of Germany’s most important industrial firms—from Daimler to Volkswagen to Hochtief—are being enthusiastically drawn into complex new networks of alliances centered on SWFs based in the Persian Gulf states. This has in turn created expanded opportunities for the Gulf States to enroll German industrial firms in national economic diversification strategies, aimed at the long-term development of non-petroleum sectors.

Keywords: Sovereign Wealth Funds, varieties of capitalism, Germany, Persian Gulf, Petrodollar recycling

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Theory, practice and crisis: Changing economic geographies of money and finance

Whilst financial markets boomed in the late 1990s and 2000s, research into the geographies of money and finance underwent its own period of expansion and transformation. Most notably, the sub-field’s theoretical toolkit developed significantly as earlier political economy approaches were combined with a greater concern for the social, discursive and cultural constitution of money and finance. However, as the international financial system virtually juddered to a halt in 2007 and 2008, important questions have emerged concerning the extent to which the polymorphous character of financial geography in the 2000s was seduced by the growing power of finance and lost sight of earlier research interests that stressed the risks, inequalities and instabilities that characterize money and finance.

In response, in this paper, I use the financial crisis as a lens through which to examine the recent development of economic geographical research into money and finance. In particular, I focus on the changing relationship between financial theory and practice as articulated in leading international financial centres. I argue that the crisis raises important questions concerning the limited extent to which the socio-cultural approaches to money and finance developed by economic geographers in the 2000s were used to reveal the limitations of financial economics and its role in shaping the uneven causes and consequences of the crisis. However, my emphasis on the reproduction of financial theory in practice also points to the value of economic geographers’ well established commitment to theoretically informed empirical research that foregrounds the actualities and complexity of everyday economic life. Drawing on this tradition, I argue that the vibrancy of financial geography in the 2000s, whilst not without its limitations, provides considerable possibilities for advancing politically engaged post-crisis economic geographies of money and finance that demonstrate the geographically heterogeneous ways in which financial theory is (re)produced in practice.

Keywords: Financial geography, crisis, performativity, economic geography

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Securitisation ‘in the wild’: Geographies of market making in London’s financial district and the global financial crisis

Policymakers, financiers and regulators have framed the financial crisis as global in scope. In particular, the structured financial products at the heart of the crisis were identified as being capable of facilitating the development of liquid, standardized and efficient markets for risk management. In contrast to these understandings of a ‘global’ financial crisis, research in economic geography has begun to examine the geographical and institutional variegation in both the causes and effects of the crisis, with a particular focus on retail finance. In this paper, we extend this literature by reporting on empirical research that examines the geographies of structured finance departments within investment banks in London’s financial district. We develop an original theoretical framework to understand these geographies that combines cultural economy approaches to the performativity of financial theory with research in economic geography on the reproduction of

international financial centres. In particular, we argue that distinctive geographies of securitisation emerged in the 2000s in response to the interaction between regulation and the wider place based assets within financial centres. The significance of this argument is two-fold. First, theoretically, our research demonstrates the importance of understanding the hitherto neglected role of geographical context in the performativity of financial theory. Second, our research reveals how new financial products and markets develop in response to, and are constitutive of, a geographically heterogeneous financial landscape. We conclude by considering the important implications of these findings for the future development of established financial centres such as London and New York and the investment banking sector.

Keywords: Geographies of money and finance, financial crisis, investment banking, performativity, securitisation

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Research results and preparation for the future economic geography in Korea

The aim of this study is to examine the changes of institution, quantity and approach methods of research results in the history of Korean economic geography during the last fifty-five years(1956~2010) and to offer the preparations for the future research. The history Korean economic geography can be divided into four periods: 'period of cradle' (1956~1962), 'period of establishment'(1963~later 1970s)', 'period of leap (the former half of 1980s~the former half of 1990s)', and 'period of transition (since later 1990s)'. Many departments of geography education and geography have been founded in the 'period of establishment' and 'period of leap'. Among the total research matters(1,621), 44.4 percent of research results have been made in 2000s and the most researched field was that of manufacturing geography, which occupied 27.7 percent. In the approach methods, over the half of the results are the empirical inductive approach and in the research frameworks method occupied over halves and the framework which clarified the regional structures occupied 80.0 percent. In the future, each research field of Korean economic geography is expected to take more serious view of nature environment, thorough regional survey, and preference of economy-society-culture in the research framework of spatial network theory.

Keywords:

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Blessing and curse of real estate markets in the Spanish economy: Performative construction of financial risks in the industrial spaces of Valencia and Barcelona in times of crisis

Collateralized loans and arm's length debt characterize the Spanish financial system. Computer based models of credit risk evaluation are heavily regulated by the central bank authority and lending decisions are supervised by rigid hierarchical routines within banking organizations. How could the Spanish economy slide into a deep financial and economic crisis then? Part of the answer lies in the fact that the values of houses and apartments as collateral security have intentionally been overrated by Spanish banks to compete in competitive regional credit markets. As a consequence, the recent shrinking in mortgage values intensifies the phenomenon of credit rationing in the Spanish financial system, hindering flexible restructuring in the productive sector as an answer to the crisis. New insights from 'Social Studies of Finance' suggest that economic models play a crucial role in shaping markets and performing economics. Is the Spanish crisis the result of unfolded systemic risks produced by the performativity of financial rating models and conventions in lending practice? The following comparative analysis of financial risk manipulation in industrial spaces of Valencia and Barcelona on the one hand proves the general power of performative economics. On the other hand, however, it uncovers regionally differentiated economic behavior in handling the constructed risks. Insofar the findings neglect the idea of an 'end of geography in finance'.

Keywords: Financial crisis, Spain, performativity, systemic risk, collateral security

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Untangling the relationships between proximity dimensions: An in-depth study of the Danish cleantech industry

The increasingly interactive nature of innovation processes has been widely studied in economic geography and related disciplines over the last decades. The effect of geographical proximity on learning and innovation has been among the most debated topics. While some authors stress that localised learning is at the core of innovative activity, others argue that this particular focus has led to a neglect of the impact of non-regional knowledge linkages, which might be facilitated by co-ownership structures or previous interactions. Thus, it is theoretically rewarding to move away from a discussion of proximity in purely physical terms. In a widely quoted paper, Boschma (2005) introduces a five dimensional model of proximity consisting of geographical, cognitive, organisational, social and institutional proximity. He emphasises that some cognitive

proximity is a prerequisite for interactive learning contrary to the other four dimensions, where one form of proximity can substitute another; hence geographical proximity is not seen as indispensable for collective learning. However, geographical proximity is different from the four other dimensions, as it does not directly impact collective learning, but rather facilitates the other types of proximity. As Malmberg & Maskell (2006) note, the conclusion of Boschma (2005) is actually supporting the theory of localised learning. Yet, the relationships between geographical proximity and the other four proximities have not been empirically tested. The current paper aims to contribute to this field of research by analysing collaborative development projects in the Danish cleantech industry. An ordered logit model will be applied to a unique database of 180 inter-firm collaborations created through in-depth interviews with cleantech firms. The analysis will in this way reveal to what extent the other proximity dimensions are consequences of physical proximity. Additionally, the paper will provide a detailed picture of the use of knowledge networks in the cleantech industry. This is in itself a novel contribution, as the industry is very rarely conceptualised as a whole in academic work due to the lack of a cleantech-code in industrial classifications. Thus, a further aim of the paper is to identify similarities and differences in innovation patterns between firms from diverse backgrounds such as wind energy, biomass energy and green construction.

Keywords: Proximity, networks, collaboration, innovation, cleantech

Eva Hansson, Department of Political Science, Stockholm University. Email: eva.hansson@statsvet.su.se; *Growth politics, social conflict and political regime change in Southeast Asia: Thailand and Vietnam*

Social conflicts are on the rise in most Southeast Asian countries. Countries such as Thailand, Vietnam, Laos, Cambodia and Indonesia are all experiencing increased economic inequalities, a deepening urban-rural and regional division and a growing dissatisfaction with problems of corruption and corrupt and insulated political elites. Export driven development under various forms of authoritarian political regimes have produce high levels of growth. But these regimes have been less successful in handling conflicts in society that have accompanied growth politics. Feelings of injustice trigger collective organising and especially in the years after 2006 we could witness a highly mobilised civil society in several countries in the region. The rapid economic development and modernisation has led to the rise of new types of conflicts as well as new expressions of old conflicts. Collective organising among social actors such as labour, women, farmers and others are putting pressure on authoritarian and post-authoritarian regimes.

Large scale social protests have seen a dramatic rise in Southeast Asia even in political contexts with severe restrictions on rights to organise, protest and assembly. In Vietnam labour protests drew tens of thousands in 2006 only to escalate even further and reached about 850 officially reported illegal strikes in 2008 drawing hundreds of thousands of protestors. In 2010, a trade union official with the Vietnam General Confederation of Labour (VGCL) the only legal official trade union stated in local media that there was “no end in sight” for the Vietnamese strikes (Lao Dong, 27 October 2010). The early protests were mostly benevolently meet by the state but as conflicts rose the state increasingly responded with confrontation. New laws and regulations were issued in 2007, 2008 and 2009 which aimed to prevent further protests. They included laws further restricting the right to strike, laws forbidding bloggers to write about anything else but “personal information”, laws forbidding social science researchers to publish results that have not been approved by authorities, new regulation on media aiming to make newspapers more “responsible in their reporting” and strengthen control over it. Along with new regulation came also a strong and widespread clamp down on protest movements that started in late 2006 and is still ongoing. High profile leaders of the emerging democracy movement and the protest movements concerned with various issues such as land rights, labour rights, and critics of the continuously sensitive relation with China, were sentenced to long prison terms (see Hansson 2011). On October 26, 2010, three young activists were sentenced to up to nine and seven years in prison for “disrupting security” for their role in “instigating labour strikes” by distributing “reactionary” leaflets in Dong Nai and Ho Chi Minh City earlier the same year (Nguoi Lao Dong, 27 October, 2010). But the confrontation by the state against protestors in Vietnam has not lead to decreasing levels of conflict in society. Indications are instead that different groups concerning themselves with different types of rights and issue areas are joining hands. With harsher treatment of activists and stricter regulations, the protest movements have grown in intensity, scale and also spread geographically as well as to a cross section of groups.

In Thailand, protest movements emerged primarily after the 2006 coup d'état. The Red Shirt movement, which initially signalled support of the ousted Prime Minister Thaksin, has come to evolve into a movement comprising both large parts of the democracy movement as well activists and ordinary people claiming that economic growth under a system with a minimal spread of political power has produced a deeply unequal society where rights are a privilege of the few. Especially the violent crackdown on several occasions on Red Shirt demonstrations, the jailing of activists, journalists and academics and the censorship imposed on media and the Internet by the government in an attempt to calm down social protests seem to have only broadened the movement and led human rights and democracy groups to find common causes with the Red Shirts. The violent

response by the state against protesters was seen in the April 10, 2010, crackdown in the commercial and business districts in central Bangkok which resulted in 21 civilians shot dead and more than 860 seriously injured (International Crisis Group 2010). This was only a prelude to the coming operation to “take back Ratchaprasong” between 14-19 May, 2010, leaving at least an additional confirmed 54 people shot dead and 470 injured. The International Crisis Group reported that “army soldiers fired several live rounds at a group of unarmed protesters, which including women and children” (International Crisis Group 2010). Following the crackdown by the military, 36 buildings were set on fire including the Central World Plaza, the Stock Exchange of Thailand and several commercial banks. The Emergency Decree was imposed in 24 provinces which grant authorities extensive powers to arrest and detain suspects without charges and other far reaching limitations of civil and political rights. Under the Emergency Decree authorities enjoy immunity from civil, criminal and disciplinary penalties for their actions. What in 1998 was seen as the flagship of Southeast Asian democratization was now referred to by commentators and analysts as a potential “failed state” on the verge of a civil war. In autumn 2010 a preliminary report was submitted to notify the Prosecutor’s Office of the International Criminal Court (ICC) of alleged crimes against humanity committed against protesters and others during the April 2010 Bangkok crackdown by the military. After the lifting of the Emergency Decree by late December 2010 demonstrations were resumed and at the 9th of January 2011 more than 30,000 Red Shirts gathered in central Bangkok (Bangkok Post, 9 January 2011) in an attempt to pressure the government to release protest leaders who had been imprisoned during 2010 on charges relating to “acts of terrorism” or “Lèse majesté”.

The paper will touch upon broader questions concerning the relation between growth politics in Southeast Asia and the political regimes that have evolved as a result of it. How will the political regimes transform in response to the challenges posed by rising social conflicts? Focus will be on describing the ongoing social conflicts in Vietnam and Thailand, especially in the period between 2006 and 2010. How is the state responding? What can be said about alliances that are being forged among actors?

Keywords: Growth politics, social conflict, political regime change, Thailand, Vietnam

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Redundancy, “creative” innovation and agglomeration: Agglomeration economies reinforcing creativity of the cultural industry

The recent rise of the cultural industry and its spatial manifestation has attracted enormous academic attention. Most studies, however, underestimate the nature and importance of uncertainty in the cultural industry. In addition, it is “creative” innovation, not “efficient” one achieved by imitation, that increases commercial value of cultural products; therefore “learning,” which considers the diffusion of the “best practice” within and between agglomerations, is an inappropriate analytical concept. Using reflexive consumption as a key assumption, we argue that a theory of cultural industrial agglomeration must account for the tolerance for redundancy and “knowledge-verification” costs that are required at the interface of production and consumption. For firms in information-dominant cultural industries to remain viable and creative, the tolerance for inevitable “inefficiency” of products is essential for creative products to emerge, and that an agglomeration may provide a means to absorb and spread the costs of knowledge-verification, which may be unbearable by individual firms in the short-run. The individual firm’s tolerance for redundancy, which is the source of the creativity, heavily depends on locations and the degree of the distribution sector’s power of control over industry. On the basis of this notion, a creative place can be defined as where the tolerance for redundancy can be augmented. It can be concluded, therefore, an agglomeration is the creative place if the agglomeration can strengthen firms’ tolerance for redundancy in which the power relationships between distribution sector firms and production sector firms do not considerably spoil the latter’s creativity. This presentation provides two case studies of Japanese cultural industries, home videogame and television program production, to illustrate our theoretical propositions. The comparative case studies indicate that the “traditional” benefits of agglomeration, such as efficient transactions and trust-building, are not absent. However, we find that these benefits do not necessarily culminate in increased creative capacities of the firms in the agglomeration, and we believe that the degrees to which spatial clusters of firms offer the tolerance for redundancy are the most critical factors that explain the difference in creative capacities between the two industries.

Keywords: Industrial agglomeration, innovation, redundancy, home videogame industry, television program production industry

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Exploring network autocorrelation within world crude oil trade and its formation mechanism by eigenvector-based spatial filtering

Crude oil is a kind of indispensable strategic resource, and is world's biggest traded commodity, which plays an outstandingly important part in the world political and economic situation. As a result of the influences from spatial position and the interaction among trade behaviors of interrelated countries, there tend to be autocorrelation within the complex world crude oil trade network, including spatial autocorrelation and behavioral autocorrelation, and so that world oil trade network shows structural distribution pattern in the space. Therefore, this paper tries to take eigenvector-based spatial filtering as proxy variables of network autocorrelation into spatial interaction model, with which to make econometric analysis of 318 pairs of crude oil trade relations between 57 countries, in order to extract such network autocorrelation structure from world crude oil trade and visualize it. The results show that: 1) the spatial filtering of world oil export is consist of 3 eigenvectors, while import spatial filtering is made up of 9 eigenvectors, indicating that world oil exports concentrate spatially into 3 principal axes, while the distribution of world oil imports is relatively disperse and can be divided into 9 mutually orthogonal distribution axes; 2) spatial autocorrelations within world crude oil export mainly locate in Middle East, Caspian Sea littoral states and Africa whose spatial filtering values rank at the first grade level (0.591~1.388), which is not only because of their geographic connection with each other, but also reflects that they are the three giants in today world oil export market; 3) import spatial autocorrelations mainly concentrate in America, East Asia and West Europe whose spatial filtering values rank at the first grade level (1.869~3.349), which is the evidence that there are obvious import co-opetitions within each region above, and there are notable import competitions among such three regions; 4) the spatial filtering of behavioral autocorrelation is composed of only 2 eigenvectors, that is to say, it is the behavioral influence among the major powers' oil trade that dominates the behavioral autocorrelation within world oil trade; the intersection point of such behavioral autocorrelations ranking at the first grade level (0.475~1.23) is located in China, where is the focus of the fierce competition among leading exporters such as Middle East, Africa, Russia and South America. Based on the understanding of network autocorrelation within world oil trade, this paper explores its formation mechanism from three aspects, such as competing destinations mechanism, intervening opportunities mechanism and social influence mechanism. Competing destinations mechanism and intervening opportunities mechanism are both related to spatial autocorrelation, thereinto, competing destinations mechanism is the reflection of mutual reinforcement among trade relations of one country to a group of countries that are close to each other, and intervening opportunities mechanism expresses itself as dependency trade relations among neighboring countries. Social influence mechanism mainly works for behavior autocorrelation, reflecting the balance relations among the major power's trade competitions in the world political and economic situation.

Keywords: World crude oil trade; network autocorrelation; spatial filtering; formation mechanism

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Leadership and creative process in project ecology of anime, film and TV industry in Tokyo: A long term contact analysis by SRRRI Method

Content industry creating anime, film, TV drama etc. has been gaining more concerns because it is expected to play a role as a growth engine in advanced economies. The industry tends to make a cluster in metropolitan area (Scott, 2000). Grabher (2002) described the dynamics of project-based economic activities in urban space in the discussion of Project Ecology. Knowledge-based clustering study also emphasizes interaction of players in proximity as exchange of tacit knowledge is essential for innovation. But these studies tend to lack empirical evidence of concrete interaction among key actors as Markusen (2003) pointed out. The author tried to clarify the communication among key players in content project like Hollywood movie, Japanese Anime etc. (Hara, 2002; 2005; 2009). Previous studies were limited to particular period of the project. Development stage of project is extremely important when proximity should play a crucial role, but empirical study of the stage was difficult. Participant observation is impossible because the study should cover long period more than several months. Simple interview is not appropriate because the interviewee cannot remember a lot of communication during the development with many trials and errors. To overcome the difficulty, contact analysis was improved and SRRRI or Semi-Real time-Regular Interview method was elaborated to collect and analyze the communication data of project leader for a long time. Yoshisige Matsuno, Visual Effects Supervisor and Producer in Tokyo, was selected as the research sample. His major works include Gamera, Ultraman, and Gundam series for Film and TV. Interview had been conducted every one or two months based on his meeting schedule and all face-to-face meeting data for 5 years was collected. Place, participants, various characteristics and results of each communication were asked in the research. SRRRI method was quite effective to collect communication data and the analysis can show unconscious tendency and change of the project leader's business activities. The results show how a new project emerges by interaction with key persons with trial and error while some fail, and also show that different places were selected for meeting depending on the purpose of communication. It can be said that the study could clarify the black box of industrial cluster or project ecology of content industry to some extent from communication viewpoint.

Keywords: Leadership, creativity, project ecology, contact analysis, Tokyo

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Fine-tuning regional innovation policies in Germany through knowledge bases?

Regional innovation policies are well established in Germany. They consist of policy measures devised and implemented by the regional states (*Länder*) that aim at boosting entrepreneurial innovativeness and thus competitiveness of regional economies. These measures include financial aid schemes, technology transfer and consultancy agencies, science parks and cluster initiatives. Theoretical concepts, such as regional innovation systems, clusters and learning regions, are well applied and translated into concrete policies, often fuelled by initiatives and workshops initiated by the Federal Government at the national level and the European Commission at the supra-national aiming at disseminating best-practice examples. Recently, however, complaints have become louder about too standardised, one-size-fits-all regional innovation policies (Tödting and Trippel 2005). In order to solve this problem, this paper aims at investigating whether *knowledge bases* (Asheim and Gertler 2005) can serve to fine-tune regional innovation policies. This concept stresses that industries differ substantially with regard to their specific knowledge base, of which three are distinguished: *analytical* (science based), *synthetic* (engineering based) and *symbolic* (creativity based). The paper presents research results of three case-studies, representing these three types of knowledge bases, namely biotechnology in Aachen (analytical), automotive in South-West Saxony (synthetic) and computer game industry in Hamburg (symbolic). The paper draws two conclusions. First, the empirical work based on social network analysis and common descriptive statistics shows that in general the characteristics found in the case studies are in line with the stylised facts about the three knowledge bases (analytical, synthetic and symbolic) found in the literature. Secondly, and more importantly, the policy-related results of our company survey, as well as additional expert and policy-makers' interviews lead us to conclude that knowledge bases potentially are useful to fine-tune regional innovation policies. However, some caveats need to be made concerning the policy implications of our study. Knowledge bases are not static and set in stone and therefore policies need to pay attention to the dynamics of knowledge bases in a regional context and also to the potential convergence tendencies between knowledge bases that can take place. Moreover, one hardly finds mono-structural regional economies in which one industry and hence one knowledge base fully dominates, which means that in most regions knowledge about several industries with different knowledge bases is necessary among regional policy-makers and innovation support agencies to fine-tune regional innovation policies. In general, however, policy-makers need to be more aware of the different requirements of knowledge bases. In advanced knowledge economies, such as Germany's economy, regional policy-makers and innovation support agencies cannot afford to ignore the knowledge characteristics of their main industries when devising and implementing regional innovation policies.

Keywords: Regional innovation policies, fine-tuning, knowledge bases, Germany

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Gatekeepers in the geography of quality

Economic geography has for some decades been dominated by an innovation paradigm. New products, novel ways of organising production, research and development is seen as the key to firms' and regions' competitive strategies and prosperity. However, this relentless search for excellence in research and innovation is not enough to understand the success of many industries and firms. Innovative products and services will soon vanish from the market if they are not in accordance or go beyond consumers' expectations. In this paper there is a focus on the 'quality', and the vital role that quality plays in firms' capacity to create and maintain international competitiveness. Even though firms have always tried to convince the market that their products retain distinctive quality attributes, quality is not an absolute. What is defined and understood as good quality varies across time and space. Knowledge about quality is like other forms of knowledge, not evenly distributed, but channelled through different patterns or channels. These information channels often take the form of relationships between agents, and are characterised by long duration and stability. These contacts can operate as "pipelines" for information, and usually involve interdependencies between actors and resources. There is an ever growing amount of information consumers need to process to establish which products or services that are of best quality for their certain needs. Some of this information comes from firms in the form of marketing and branding efforts, some from media, some from official authorities and some from other consumers just to mention a few. Many have pointed out the importance of mediators in this maze of information. Some actors are holding strategic positions in these systems of information diffusion; they serve as gatekeepers. They have high influence in what kind of knowledge that slips through the pipes and how this information is distributed. The gatekeepers are often portrayed as well educated with a high competence level, holding important positions in the regional economy. One group with less status and recognition, are people working in shops. Leslie (2002) argues that despite the high frequency of part-time employment, poor salaries and uncertain working conditions, clerks are "expected to draw upon a wealth of accumulated fashion knowledge". This paper explores the role of

shop clerks as gatekeepers of quality in the sports equipment marketplace. Sports and outdoor products are usually meant to handle intense weather conditions, and should endure demanding treatment and use for a long period. In addition, most of these products are manufactured and sold on the basis of intangibles such as style, fashion, trends and symbolic values. Consumers often seek information from many sources when they are in the market for new sport clothes or equipment, as this regularly quite high-priced products. Berrett et al (1993) found that a striking feature of the types of employees working in the retail outlets was that they tended to be enthusiasts in the activity in which the business specialised. However, very little is known about their role as gatekeepers of innovation and information. In this paper I explore the shop assistants' role and argue that they often act as quality ambassadors.

Keywords: Quality, consumption, gatekeepers, sports equipment

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Ethnic diversity as a determinant of regional economic growth: Case Study: Eastern and Central Europe

Economic issues are an area of human activity where purely economic problems (even mathematical problems) encounter what is broadly defined as geographic space, which is characterized by an uneven distribution of resources (raw materials, knowledge, technology, culture) that are used in a variety of different ways by different political and social systems. Of all non-environmental issues, ethnic diversity and its effect on economic processes and structures is relatively rarely studied. The abrupt changes that have characterized Eastern and Central Europe in the 20th century have produced an ethnic and religious mosaic in the region. Many areas with complex ethnic structures have changed hands in the 20th century as many as seven times. Various ethnic groups became either politically dominant groups or politically dominated groups, depending on the government in power at a given moment in time. Political changes in this region have traditionally favored nationalist attitudes, which strongly affected the manner in which different governments have viewed different ethnic groups and the corresponding economic decisions made as part of spatial planning programs. The paper discusses several different regions of Eastern and Central Europe. The focus of the paper is an analysis of historical determinants of economic development in light of ethnic differences in each region. The following regions are covered: eastern Lithuania, eastern Latvia, the Transylvania region of Romania, the Opole Silesia region of Poland, and the Kosovo region of Serbia. Each of these areas features some type and degree of ethnic conflict. In addition, the parent states of these areas are very sensitive about what is happening in these areas. All of the parent states of interest have recently become independent of Soviet and/or communist domination. One result of persistent ethnic tensions is economic under-development. Each case of ethnic tensions is unique and tends to be dominated by historical determinants. In some regions, differences in the rate of land and infrastructure privatization following the collapse of the socialist economy is a source of tensions and economic under-development. In other cases, differences in the level of government funding provided for different social programs is a cause of social and economic distress. Yet in other cases, the government's open hostility towards the people is a source of problems. In certain cases, ethnic and cultural diversity is actually an asset that helps increase the rate of economic development in a given area. This is true of the Opole Silesia region of Poland. The paper ends with a discussion of the most commonly encountered economic differences between areas inhabited by ethnic majorities and areas inhabited by ethnic minorities as well as the systemic determinants for this state of affairs.

Keywords: Ethnic diversity, cultural diversity, regional growth

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Revisiting night lights as proxy

In this paper we explore how satellite images of global night lights from the years 2001 to 2007 can be used to estimate economic activity at the sub-national level in the U.S., India and China. The night lights based estimates of economic activity are then spatially analyzed and compared with sub-regional economic indicators where available for selected years. For this purpose we have extended the standard bi-variate LISA (Local Indicators of Spatial Autocorrelation) methodology to include bi-directional analysis. This bi-directional bi-variate analysis helps to identify those jurisdictions where night lights intensity can be used as a proxy for measuring sub-regional economic growth. We also briefly discuss two theoretical models that shed light on the geospatial patterns reflected by the night light data. The results are presented with a series of maps, charts and tables.

Keywords: Economic growth, satellite data, night lights, LBGI (Light based growth indicator), India GDP, China GDP, USA

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Recessions, restructuring and resource peripheries: British Columbia's forest economy 1980 -2010

This paper explores the relationships between recessions and restructuring in the context of resource peripheries. Resource peripheries are often characterized as boom and bust economies, even as slippery spaces, here today and gone tomorrow. But the evolutionary trajectories of resource peripheries are complicated, often remarkably resilient in some senses of that term while recessionary busts signal ‘temporary fluctuations’ and, if not without ambiguity, longer term processes of restructuring in the underlying economic, technological and institutional conditions of production. Moreover, the restructuring of resource peripheries is shaped by both paradigmatic industrial dynamics and by the imperatives of resource cycle dynamics. In the case of British Columbia’s forest economy recessions have become a defining or routine feature of its trajectory for almost 40 years. The deep recession of the early 1980s also defined a restructuring or turning point in the evolutionary trajectories of the forest industries. Yet the outcomes of this turning point are still being worked out, and have been further complicated by subsequent powerful recessions. The rationalization and closure of big mills, growth of value adding flexibly specialized clusters, investment in super (neo-Fordist) sawmills, a reconfiguration of core-periphery relations, and a shift towards Pacific Rim markets are all in evidence. The diverse implications of this sustained volatility for patterns of location, forms of industrial organization, trade and employment, are noted and questions about regional and local resiliency are raised.

Keywords: Recession, restructuring, peripheries, forest industries

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*Transnational family entrepreneurs and the creation of global pipelines: The case of the Palanpuris***

Referring to the buzz-and-pipelines model of regional clusters, global pipelines have been conceptualized as intentionally created linkages of incumbent firms to partners from outside the cluster. Aiming at broadening this perspective, the paper argues that transnational entrepreneurs (TE) provide a different mechanism of pipeline formation: By definition TE are endowed with transnational business linkages which can be conceptualized as global pipelines when TE become active in existing geographical concentrations of interconnected firms. To empirically analyze both how pipelines are formed by TE and how these pipelines affect the development of existing clusters, the paper puts its focus on the Palanpuris, i. e. a small number of polished diamond dealers from the western Indian state of Gujarat. In detail, it will be shown that the Palanpuris make up a transnational entrepreneurial community who, in the course of time, has developed business activities at the most important locations of the diamond trade. A crucial finding of the case study is the fact that the business linkages between the traders at the different hot-spots cannot be detached from their family network – an aspect which placed the Palanpuris in an advantageous position compared to other companies in the trading hubs: First, external information primarily stayed within their family networks and were not shared with others. Second, while the formation of external pipelines so far has been described as a costly and time-consuming process, the Palanpuris’ kinship-based pipe-lines existed a priori and thus did not require any investments. It will be demonstrated that, as a consequence, the information flowing through the pipelines established by the transnational family entrepreneurs did not contribute to a stabilization of the traditionally grown cluster structures but rather resulted in their decline. The empirical results of the study are based on interviews with diamond people at different locations in Europe, America and India as well as on an analysis of the Palanpuris’ family database.

Keywords: Transnational entrepreneurship, cluster dynamics, buzz, pipelines

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*From the periphery to the core: Rebalancing subnational territories through sustainable growth and social inclusion in mineral-rich Andean countries***

How is territorial development achieved? What makes some territories dynamic while others lag behind? What kind of public action leads to inclusive and sustainable development? These have been some of the questions which politicians, activists and scholars in Economic Geography, the New Economic Geography and Development Studies have sought to answer for a long time. These are also questions that motivated recent research programs on subnational territorial development in Latin America and on the renewed emphasis on development strategies based on extractive industries that mineral-rich countries are eagerly adopting. In the quest to understand success and differentiation, explaining factors have been related to a territorial or extra-territorial economic base (the motor of growth and productivity), to the localized environmental base (the particularities of natural capital and its capacity to generate ecosystem services), to the multi-scale organisational and institutional structures and to the power structures (the relationships between actors and spaces) which determine the political economy of development. This paper presents a conceptual discussion on territorial development in contexts of mineral-rich economies, which builds on research findings of the IDRC-funded Rural Territorial Dynamics research program (The University of Manchester in collaboration with Fundacion Tierra, the Center of Regional Studies for the Development of Tarija and the Latin American Center for Rural Development-RIMISP) and two ESRC-funded projects on the political ecology of extractive industries

in Andean countries carried out by The University of Manchester (Territory Conflict and Development in the Andes) and the Open University (Andean Waterscapes). From a comparison of the economic, social and environmental effects of the expansion of mining and hydrocarbon industries as the base of a renewed development strategy for the national economies of mineral-rich developing countries, it is argued that: (1) the process of inclusive and sustainable growth results from the combined effect of the establishment of extractive industry in rural areas and the state action that is enabled from the mineral rent capture. (2) Differences between and rebalancing of subnational territories respond to the action of territorial actors and their coalitions to influence national governments' and companies' investment decisions. Such an action is stronger when coalitions include or act through local governments. (3) Territorial projects and territories are socially constructed within a process that intertwines territorial identities with extra-territorial economic and political interests. (4) Fiscal decentralization is crucial for economic impact and social change in rural and marginalized territories. (5) A mineral wealth-based growth strategy, which is inclusive and socially sustainable, requires institutional changes that tend to encourage large scale investments and the strengthening of property rights over natural capital. Territorial rights are not overly needed. (6) Inclusive growth with environmental sustainability requires both property rights over natural capital and territorial rights. The paper concludes drawing lessons for policy making on sustainable economic and social investment policy.

Keywords: Growth, social inclusion, extractive industries, territory, Andes

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Labor market segmentation in Urumqi, Xinjiang: Exposing labor market segments and testing the relationship between migration and segmentation

Labor market segmentation and migration are two phenomena that are dramatically re-shaping the spatial, economic, and social relationships of many urban cities in both developed and developing countries. To this point the brunt of Chinese literature falls within the context of area studies, without much effort to link Chinese migration and emerging labor market outcomes to larger global trends and discourse. This research attempts to link the body of internal Chinese migration and emerging labor markets to labor market segmentation theory, primarily developed by urban economists and sociologists. My findings provide evidence that applying labor market segmentation theory to examine emerging markets in China offers fruitful results that help to identify the new urban stratification that exists in China.

I employ a set of quantitative methods using employee-level field data, which I collected in Urumqi in 2008, to identify distinct segments within Urumqi's labor market and argue migration is a major driver of labor market segmentation. Cluster analysis shows Uighur minorities and women are found to be overwhelmingly concentrated in the lower sector, comprised mostly of 'bad' jobs. Discriminate analysis reveals that migrant status and ethnicity are the most important variables that deepen the gap among the labor market segments. The social inequality created as a result of market segmentation can partially explain Uighur discontent in the region and the July 2009 riots; one of the worst riots in Xinjiang's modern history.

Keywords: Labor market segmentation theory, migration, urban stratification, Xinjiang, quantitative methods

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Bringing politics back in: Reading the firm-territory nexus politically

This paper aims to bring the firm back in as an agent with a different proactive capacity or power structure in different times and. It demonstrates that the firm, as an organization in competitive markets, is an active learning agency continually combining and recombining elements in order to develop distinctive capacities that will enable it to compete in the market. This is a process of learning and experimentation in uncertain environments in which the embedded institutions, particularly the states at various levels, play an active role to secure an appropriate coupling of firm regulation and economic growth. Despite stressing the proactivity of firms, the institutional context as a constraint and a fixed set of complementary processes that dictate a particular way of doing business should not be underestimated. Rather the institutional context is a resource for firms to interact with in order to pursue their own agenda of growth and survival. Firms may operate in ways that do not necessarily reflect the dominant institutional logic. In the process, firms are actively engaged in negotiating with the regulatory regimes, and build coalitions with or buffer against the new enviroing institutions. This leads to a complicated firm-territory politics for economic geographers to decipher and engage.

Keywords: Firm theory, regulation, firm-territory nexus, community of practice, power conflict

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State transformation and the mutation of urban renewal policies in Taiwan

This paper aims to explore the dynamics behind the changing regimes of urban renewal in Taiwan. Gentrification and urban renewal policies have become a global phenomenon since neoliberal policies of enhancing city competitiveness dominated in the 1980s, as Smith (2002) argued. In appearance, the emergence of public-private partnership in the urban renewal policy renders neoliberalization possible in Taiwan, and jumps to the conclusion that Taiwan joins the global gentrification club. But, the global spread of gentrification, such as the extension of market rule through neoliberalism, has to be investigated through different urban economic bases, social hierarchies, cultural histories, and institutional frameworks. Instead of acting in the spirit of urban managerialism in western welfare state regime as Harvey (1989) proposed, the Taiwanese state, an authoritarian developmental one, shouldered the job of erasing squatters and urban renewal with an aim to promote urban and economic development. The evolution of urban renewal policy, from a public infrastructure project to a profitable business model, reflects the state transformation in urban development. As a matter of fact that the waves of urban renewal demonstrate the changing state-society relations in Taipei City, this research finds that, in comparison with its counterparts in the Anglo-American models, Taiwan's state policies evolve through divergent trajectories but converge in promoting landed capital, and lead to social and spatial injustice in the city.

Keywords: Urban gentrification, neoliberalization, state transformation, social and spatial exclusion, Taiwan

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Geopolitics of free market economy in Taiwan: Lessons from the U.S. Beef Import Dispute in 2009

Concerns and contentions associate with the re-import of U.S. beef in Asian countries has marked a furious phenomenon. Reading the controversial reactions aroused by the fear of disease the global food trades may carry, many scholars attribute to the local struggles over neoliberal expansion – trends of deregulation, privatization and the spread of free market economy on a global scale – for major explanation. By examining the case of Taiwan, however, this paper argues for a more historical-geographical embedded exploration to understanding the cultural, political logics this economic dispute interweaves to evolve in Taiwan's geopolitical context. In this regard, this paper sheds light on the inherent tensions in the transforming economic trajectory to capital export, the unresolved political sovereignty, and the continued struggle for national identity in Taiwan as the prerequisite of explication. It first interrogates the specific geo-historical context in which the notion of 'market economy' was introduced, performed and contested in Taiwan as its domestic political struggles evolve in the face of 'the rising of China' at the end of the 20th century. It is in this particular geo-political constellation that the discourse of 'Going Global' and celebration of free market – marked by its successful enrolment of WTO membership in 2002 – that became Taiwan's mainstream national narrative. In effect, this symbolic meaning of being part of the global network was crucial to the full embrace and the eventual normalization of the free market in Taiwan's social and political arenas. Such a process will be critically reviewed by examining the course of the dispute over the re-opening of U.S. beef import in Taiwan at the end of 2009. By explicating the controversial ways the state and the society respond to this dispute, I attempt to show how the symbolic geopolitical dynamics between Taiwan, the United States and China help shape the discourse of free trade and market economy and condition the socio-political struggles in Taiwan.

Keywords: Market economy, WTO, U.S. beef import, geopolitics, Taiwan

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Ownership and innovation in China's manufacturing sector: Evidence from the first and second national economic census

Based on data recently released from the first and second national economic census, this study investigates the innovative behavior and performance of manufacturing enterprises in China by ownership forms. Empirical analysis identified systematic differences in both innovative inputs and outputs among state-owned and controlled enterprises (SOEs), domestic non-state enterprises and foreign owned enterprises. SOEs have been found to outperform other ownership forms in innovative performance measured by either new product development or granted invention patents. However, more detailed statistical tests of the innovative efficiency of SOEs revealed a negative relationship between the share of state capital in capital structure and their innovative outputs. The empirical findings suggest that the superior innovative performance of China's SOEs is not reflective of the innate efficiency of public ownership, but rather the distinctive market and institutional environment in China's transitional economy that affected the financial sources and motivations for technological innovations in non-state owned firms.

Keywords: Ownership, State-owned enterprises, technological innovation, economic census, China

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Study on the assessing method of regional sustainable development capacity base on the programming of principal function region in China: A case study of Gansu Province

With the emergence of resource shortage, environmental degradation caused by the acute increase in population and rapid economic growth, sustainable development has become an upcoming model and an inevitable choice for future, which has been recognized throughout the world and clearly reflected in the “21st Century Agenda”. The programming of principal function region is an attempt that the concept of sustainable development is changed into actual development mode in China. This paper is based on the programming of principal function region in Gansu province. The purpose of the paper is to construct indicator system of the regional sustainable development capacity, and quantitatively assesses the sustainable development capacity of counties in Gansu province. Assessing methods in the regional sustainable development capacity are researched, including confirmation of the assessed unit, selection of the indicators, calculation of the indicators, and comprehensive measuring of the sustainable development capacity. Taking Gansu Province as the researched area, according to present resource and social development status, indicators system of sustainable development capacity in the basis of county level is formed mainly from the aspect of economy, society, resource, environment and ecology. Then with the use of DEM data, water resource data, land-use data, density of road network, list of nature reserve, and the social economic data of “Gansu Yearbook”, indicators are quantitated. At last, sustainable development capacity in the basis of county level is assessed and homeland space of Gansu province is divided into five capacity regions, using factor analysis method and GIS software respectively. The results show that the sustainable development capacity of the urban area of Lanzhou is much higher than that of other counties. In others, the counties locating the river valley and Hexi oasis get higher sustainable development capacity grades, and the places with serious desertification or large-area natural reserves get lower grades. All of the results are basically in accordance with the real situation.

Keywords: Programming of principal function region, sustainable development capacity, factor analysis method, Gansu province

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Biosafety, governance and post-SARS regional restructuring: Pearl River Delta's boom in traditional Chinese medicine industry***

This paper will take as its starting point Foucault's theory of biopolitics on modern forms of social governance, and build upon his views on contemporary political sovereignty and corporality to examine regional restructuring in the post-SARS, disease-stricken south China. The SARS epidemic in Guangdong and Hong Kong in 2003 was China's worst public health crisis in modern history, which quickly spread to become a global pandemic through trans-border flows. As if on cue, outbreaks of avian flu, H1N1 and other contagious diseases common to human and animals subsequently broke out at an alarming rate, resurfacing around the world without any apparent pattern. Yet even today, studies and observations on the impacts on human society of various post-SARS non-conventional diseases have pointed out that virus mutations and the disastrous onslaught they bring are not merely public health issues. Rather, they induce situational changes in government, economy, and society, and further result in the formation of new political spaces. If we look at the case of Hong Kong and the Pearl River Delta, wave after wave of epidemics caused a crisis in regional governance. Paradoxically, these epidemics did not grind to a halt the regionalization of Hong Kong and the PRD, instead serving as a catalyst for the central government in leading in the strategic integration and governance of urban spaces, ultimately advancing the collaboration between Guangdong and Hong Kong. To reconsider the highly complex and convoluted processes of epidemics in the PRD, I will draw on Aihwa Ong (2008) and Bruce Braun (2007) to examine how biosafety becomes a mechanism for regional governance with a particular emphasis on the boom of the traditional Chinese medicine industry in the PRD after the outbreak of SARS. This specific case points to the way modern-day China employs the discourse of biosafety and disease prevention to restructure the PRD region and create new political, cultural, and socio-economic spaces.

Keywords: Biopolitics, governance, SARS, China, Guangdong

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A study on the path creation and dependence of the IT Service industry in Fairfax County, U.S.***

This study aims at examining the evolution of regional economy in the view of interrelationships of three aspects: technology, industrial organization, and region. These aspects simultaneously form and operate path dependent trajectories in the regional and industrial context. The IT Service industry located in Fairfax County, U.S. is an illustration to investigate the development of path dependence in the region. As information technology changes, strategies and actions taken into account by IT service firms in the county are investigated. Also, this study examines the influences of institutional settings and territorial characteristics upon the industrial path of IT service firms in the county. Then, by considering interrelationships among the regional context, industrial organization, and technological environment, this study tries to show regional and industrial path

creation and dependence, and further coevolution process. It relates to the regional path dependence issue mentioned by Martin and Sunley (2006) and Essletzbichler and Rigby (2007). In order to examine path creation and development of IT service industry in Fairfax County, this study attempts to collect data from the micro level including firms and customers to the institutional environment.

Keywords: Path creation and dependence, IT Service industry, Fairfax County

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The 2008 financial crisis and the balance of power

The international balance of power is constantly changing. Sometimes these changes are accelerated by cataclysmic events such as war, internal disintegration, or deep economic crisis. The financial crisis of 2008 was not such a cataclysmic event, that is, aggregated data shows a slightly weakened position of the West vis-à-vis the East (focus placed on China and India), but it did not have much of an effect on the existing balance of power. As for theory, the basic precepts of German geopolitics are explored along with a Marxist criticism of such (Karl August Wittfogel), then suggestions of compatibility of Marxism and geopolitics based on materialism and emphasis on technology (Charles Deudney), analyzing subsequently the available statistical data with these theoretical inputs in mind.

Keywords: Financial crisis, geopolitics, Marxism, Karl Wittfogel, Charles Deudney

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Pollution haven hypothesis and trading partners

The 2009 Copenhagen Climate Summit has revealed the conflicts in environment protection implementation among developed, developing and under developed countries. It seems that each country fears for the loss of its industry because of strong environment regulation. Hence, it is the right time to shed the rights on the pollution haven hypothesis, again. Empirical studies on the pollution haven hypothesis are still indecisive. In this study, we argue that the pollution haven hypothesis is a specific example of general location theory, and provide an explanation on why the empirical results are so mixed by using a newly developed two-way spatial sorting theory suggested in the seminal work of Okubo and Rebeyrol(2006). The information about market size, transportation costs, and regulation gap must be considered and the choice of host and counterpart country in empirical setting can provide a strategy for the identification of the pollution haven.

Keywords: Pollution haven, two-way spatial sorting, Allerano-Bond estimator

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Distanced relations, intersecting cultures: On the role of proximity and distance in innovation practices

The paper takes issue with two conceptual weaknesses in the current debates on different dimensions of proximity in knowledge collaboration. First, these discourses so far privileged the notion of proximity. As a consequence they tended to neglect important practices in knowledge work as well as the relevance and productivity of distanced relations for innovation and learning. Second, the present discourse is mainly occupied with further differentiating distinct dimensions of proximity. Thereby it remains relatively weak in analysing the interplay within multi-dimensional constellations of proximity (and distance respectively). Starting from some fundamental thoughts about proximity and distance, this paper takes up the analytical distinction between physical and relational distance to explore how they interact in the course of innovation processes. Thereby, the notion physical distance helps to analyse the possibilities and restrictions of arranging and avoiding constellations of co-presence of actors and objects. The notion relational distance, by contrast, is used as a heuristic tool to explore tensions induced by cultural differences in knowledge collaboration. Empirically, the paper presents findings from six innovation biographies from the sectors of law services and from research and development services in biotechnology. The paper shows that in the analysed innovation processes tensions induced by relational distance have been decisive in the progress of the innovation process. Moreover, the paper demonstrates that relational tensions that accrue in one dimension are turned into a productive asset by establishing relations of proximity in at least one other dimension. Finally, our case examples reveal that longer or shorter physical distances are enacted purposefully in order to both sustain and utilize cultural tensions in innovation processes. The notion relational distance used as a heuristic tool is particularly promising for the analysis of innovation processes as it sharpens our analytical focus on those cultural differences that drive the generation of new practices. It is at the same time open enough to explore those forms of proximity that afford a utilization of cultural tensions. The perspective on physical distances is valuable as it highlights that even intellectual knowledge work driven by cultural tensions is an embodied practice that is deeply situated in time and space.

Keywords: Innovation practices, proximity, distance, law services, R&D in biotechnology

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Research and development indicators in Finland: Policy goals and statistical evidences

This presentation addresses three main questions: 1) What are the current trends in regional research and development (R&D) expenditure in Finland? 2) What is the relationship between R&D and overall national government expenditure? 3) What societal goals experience growth or decline in public sector R&D funding? I apply statistics to explore the current condition of selected research and development (R&D) indicators depicting “knowledge-based development”. Thus, the hypothesis is that R&D inputs relate to economic growth. Geographical scales provide an interesting starting point for the analysis. Results indicated countries that have steady policies of public sector R&D investments. Finland ranks high in relative figures of R&D expenditure in comparison to other countries with a stable trend. Finnish public sector has continued to support R&D expenditure is positively autocorrelated whereas general public expenditure is negatively autocorrelated within study years 2000–2010. This shows a strong political will to support R&D despite of economic turbulences of global economy. “General progression of science” via competed funding has experienced the highest growth in public sector R&D spending. Expenditure targeted to traditional elements of welfare state including culture and social services are marginal compared to other societal goals.

Keywords: Regional policy, innovation policy, public sector, Finland, research and development

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Follow-source suppliers in the new geography of global production networks: A Study of Swedish small and medium-sized industries in China

This study focuses on main drivers for small- and medium-sized enterprises to set up foreign manufacturing operations in Asian emerging markets, especially China. The objective is to contribute to the development of the understanding of the geographical design of global and local supply-chains. Over the last decades, a large number of transnational corporations (TNCs) have located foreign operations in Asia and elsewhere in order to take advantage of new business opportunities opened up through economic growth and trade liberalisation, where China has become the main destination. The motives for these investments vary, but include usually a strategy to serve China’s domestic market through local production or a local sales-organisation for imported products. Another strategy is to make use of China’s large pool of cheap resources,

especially labour, resulting in export-operations, either through in-house production, or through sourcing of components and finished products from external suppliers to be exported globally. The complexity and resources needed to set up and coordinate these types of operations in China are substantial, which means that larger companies dominate as investors. At the same time, many products and services are today manufactured and delivered through close interaction between suppliers and their customers. The buyer-companies operate as lead-firms by coordinating global value-chains consisting of a large network of suppliers, many of which are expected to deliver the same products in other parts of the world, i.e. to become global suppliers. Subsequently, also less internationally experienced suppliers are increasingly forced, or attracted, to set up foreign operations in order to follow their customers abroad. This type of "follow-sourcing" implies that the local supply-linkages, which are established by foreign TNCs, include their traditional suppliers, often from their home countries. In the present study we analyse the motives and driving-forces behind a number of smaller Swedish component suppliers which have followed their main customers (e.g. Ericsson, Volvo) to China, what types of operations that have been set up, and how these operations also become a platform to attract new customers, and thus affect the geographical pattern of the global supply-chain.

Keywords: Follow-source, suppliers, global production network, TNCs, China

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Geography of hyperlinks: Local government websites in the region of Lower Silesia, Poland

Hyperlinks are the true essence of the Internet, and render it functional. The purpose of this paper is to try and determine whether the connections within the cyberspace relate in any way to borders as understood in geographical terms. The analyses were based on the assessment of the connections between websites of local authorities (functional areas) and „places” that can be reached by hyperlinks. A total of 29 poviats (counties) were analysed in the area of Lower Silesia, south-western Poland. Analyses of hyperlinks are the domain of webometrics which concentrates on providing an answer to the fundamental question: is it possible to measure the Internet? Analyses of connections between websites which take into account the spatial aspect are uncommon. But this type of analyses may effectively provide information concerning the functional connections between spatial reference units and their scope. This study identifies all websites which are hyperlinked with local authorities’ websites operating within the region. Then, these websites were assigned to geographical location of the entity governing the content and the thematic category. It was found that local self-government units are also connected with the real scope of their activity via cyberspace. Most hyperlinks redirect to websites of entities located in the area of the given poviat; less frequently, to entities outside the region, and very rarely to those outside the country. A very strong connection with the capital city is observed, as it is the seat of central institutions, major non-governmental institutions and opinion-forming media. What is surprising is the fact that the connection with the capital of the region seems less significant. On the whole, it can be said that connections existing in cyberspace largely reflect the actual functional borders. However, the main functional node dominating the cyberspace is the country’s capital. Research into hyperlinks has potential as regards spatial research. Such research should be done in various spatial scales and take into consideration different types of websites.

Keywords: Hyperlinks, websites, local government, Poland

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Knowledge creation as a spatio-temporal process

Economic geographers are interested in revealing the knowledge creation. However, scarce attention has been paid to the detailed spatio-temporal processes of the knowledge creation. Most scholars of economic geography have simplified space and time in their respective research. The most common level for the knowledge-related studies in economic geography is organization (enterprise) and region although individuals and groups create knowledge. In such research, knowledge is seldom considered as a contextual process. In the article space, time and their interrelation are conceptualized as regards the knowledge creation. The case study is about four international distinguished research groups in the universities of Finland. The empirical material consisted of observation, interviews and diaries of the research group members. The material is studied with content analysis and mental mapping. The key results indicate that knowledge is a path-creating spatio-temporal process. This spacetime combines material, virtual and cognitive dimensions of space as well as linear and relational time. Three space-times of the knowledge creation were identified. In the space-time of stages, knowledge is created in sequenced, periodical and linear time in specific locations. Researchers interpret individually the progress of the research projects and organize it into stages. The space-time of flows and irruptions supports knowledge creation in the experienced time. Researchers felt time slowing down and being interrupted, when they confronted problems in the knowledge creation. Space became active in the knowledge creation moments. In the spacetime of network, knowledge is seen as a complex network forming of nodes of people, ideas and artifacts. Material, virtual and cognitive space and linear and relational time are interactive in the knowledge creation. Researchers are in networked paths when creating knowledge. These paths include bundles as important accomplishments for the knowledge network. The bundles bind several nodes together. Novel ideas, new products and new technological applications are crucial for successful economic development. Also academic research aims at creating knowledge or exploring something novel. In economic geography, one should pay more attention to the detailed spatio-temporal processes of the knowledge creation.

Keywords: Space, time, spacetime, knowledge, research

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From developmental to neoliberal state space: The spatio-temporal transformation of the Korean state

This paper explores the spatio-temporal matrix of two state forms in relation to capitalism, i.e. statism and neoliberalism, by reference to the Korean case. Capital accumulation involves spatio-temporal differentiation or uneven development of values and prices since it must capitalize on the price difference between purchase and sale. Here it is the state that plays a crucial role in managing this spatio-temporal matrix.

Under the Bretton Woods regime, the statist state (including Keynesian and developmental ones) typically could create and maintain a spatio-temporal matrix that monopolizes the national territory and future, and thereby acts as the most important input in the determination/differentiation of the prices and values of capital as well as in the management of economic risks and market failures. In contrast, the neoliberal state partly withdraws from its monopoly over its territory and interpretation/knowledge of the future. It loosens control over the movement of capital across the border and delegates its spatio-temporal functions to 'private' institutions by introducing the so-called 'governance'. Here under the so-called 'Dollar-Wall Street Regime', it is U.S.-dominated global financial markets and capital as well as 'private' or unaccountable institutions (i.e. Fed, BIS, credit rating agencies, hype-creating mass media, investment banks, mutual funds, private equity funds, hedge funds, etc.) that have bigger power to assess (or exercise enormous influence on assessing) the future risks/values of business assets in various geographical locations and hence their discounted present values. It is, together with typically non-accountable global governance organizations (such as the IMF, World Bank, IASB, BIS), capital markets and financial institutions themselves that create and maintain a globally differentiated (and hence unevenly developed) spatial environment in which they can buy cheap in one place and sell dear at other places. Such transition of the spatio-temporal matrix of capital accumulation from statism to neoliberalism will be illustrated with the Korean case.

Keywords: Korea, developmental state, neoliberalism, state space, spatio-temporal matrix

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Overseas Chinese firms in Japan: Local networks and extra-network linkages

Previous studies about Overseas Chinese firms have been mainly focused on two themes: one is the prominent mainland Chinese firms following China's *Zou Chuqu* (go abroad) policy since 2002; the other is the embedding of Overseas Chinese family business in local economies, particularly in Southeast Asia. Despite Japan being the only developed country neighboring China, very few studies examine Overseas Chinese businesses in Japan. Indeed, certain authors have pointed out the need to analyze what drives business to internationalize from emerging to developed economies. The lack of academic work on the lessons and successes of Chinese actors and organizations in Japan's economy makes this work all the more timely. This paper aims to discuss the interaction of Chinese firms with networks of communities in Japan and their linkages with external resources, such as home country financing and host country policies, to achieve business growth. This paper also seeks to show that *Xin Huaqiao* (New Overseas Chinese) are active and creative social actors promoting the embedding of Chinese firms into local markets while making linkages among Chinese firms and Japanese firms. Based on original survey as well as secondary data from multiple case studies, this paper shows that globalization has spurred Chinese entrepreneurs to grow business not only in developing economies, but also in developed economies. Unlike South Asia, Japan's economic milieu is difficult for Chinese to embed in, thus they need to depend on extra network linkages. *Xin Huaqiao* (XHQ) also creates local networks through organizations like the Chinese Chamber of Commerce in Japan and the Wenzhou Chamber of Commerce in Japan. This new trend clearly suggests a different internationalization pattern of Chinese firms is evolving in the Japanese context. The Japanese context, though difficult for these businesses, has led to noteworthy successes of XHQ businesses, such as the expansion of EPS to Singapore and China as well as SJI's development of linkages with Lenovo, the computer OEM. By showing cases of these Chinese firms locally embedded and with extra-network linkages, this paper seeks to serve as a springboard for new discussion in economic globalization and international business studies.

Keywords:

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The internationalization of Chinese firms in Japan: An actor-centered approach

Based on an actor-centered approach, this study intends to describe and analyze the situation of internationalization of Chinese firms in Japan. A multiple case study as well as data about Chinese firms in Japan is presented. A theoretical framework consisting of different types of actors model on Chinese firms internationalization is presented as based empirical analysis. We contend that social actors can play a significant role in promoting Chinese firms internationalization in Japan. We also argued that this actor-centered approach would link the discussion about Chinese business study into both international management research and geography research.

Keywords: Chinese firms, internationalization, actor-centered approach

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Disentangling Swedish SMEs: Extent of distance and destination on export

Distance has played an important role in international trade. This paper attempts to investigate the effect of distance, both physical and psychic, on the decision to export, choice of destination, product group, unit value, and finally volume of export. But since not every destination countries are the same, the analysis also investigates further on different groups of destination countries and the exported product groups to complete the full picture. The method in used is gravity equation on product level exports of Swedish firms with at least 1 employee to 173 destination countries during 1997-2006. Firms are categorised into subgroups to distinguish SMEs from large firms. Destination countries and products are grouped by average income level and income elasticity, respectively. The contribution of this paper lies in its rich dataset and extensive analysis at firm level that disentangles the firms from the start (export decision) to finish (export value and volume).

Keywords: Export, SMEs, international trade, gravity equation, distance

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Study on the evolvement dynamical mechanism of the regional tourist cooperation in Yangtze Delta, China

The development of economy has brought about the constant deepening of regional tourist cooperation. This paper, taking Yangtze Delta as the object of study, makes an initial discussion on the evolution of regional tourist cooperation and divides into three different stages after policy of reform and opening-up (since 1978): commencing phases(1978-1992), developing phases(1992-2003) and advancing phases (2003-). In commencing phase, tourism cooperation occurred in some part of tourism industry, which is impelled by spatial location superiority, and this cooperation is singleness. In developing phase, tourism integrative cooperation is the result of tourism developing that is impels by market. In advancing phase, all-around cooperation is that many kinds of corporation participate in and Multiplex main body. Then sums up the evolving, power of regional tourist cooperation into three categories: space growth power, market driving power and government control power. The evolvement of regional tourism cooperation is a natural course, regional cooperation coming into being and developing is affect by regional space. Regional tourism cooperation, the production of economy developing into a certain phase, is promoted by market, so we should analyze social economy. Although what position government will be put still exists disputed, government is a dominant force in regional tourism cooperation. Based on these three power, the author construct the evolutionary dynamic model of regional tourist cooperation and initially disclose the drive operational mechanism, the composing tent of different powers and the relationship between the dominant power of different evolutionary stages and evolving features. Regional tourism cooperation increasingly evolve in subrogation and effect of three dominant forces. It has important meaning to some places, which is beginning or not beginning to develop regional tourism cooperation. According to different cooperation phase, government can design corresponding policies and plan. Therefore, it can enhance coupling degree between outside force and inside force, reduce the disadvantage effect that government actions disturb space and market and revise the evolvement dynamical mechanism of regional tourist cooperation. As a result, regional tourism cooperation will develop healthily and orderly.

Keywords: Regional tourist cooperation, evolvement stage, dynamical mechanism, Yangtze Delta, concept model

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Impacts of spatial proximity upon dynamics of productivity growth in an emerging economy: Empirical findings from Guangdong, China

Spatial proximity is a result of both concentrating human activities in one location and connecting locations with fast transport services. Does improved spatial proximity contribute to productivity growth, and if so, in which locations and how does this contribution evolve over time? These are important policy questions for China as a developing economy given its vast geographic expanse, stark regional income disparity and relatively low per capita productivity even in the more advanced coastal regions. In contrast to the considerable volume of research on the relationship between spatial proximity and productivity in the OECD countries, there are few geographically detailed empirical investigations of this relationship in China and other emerging economies. This is reflected in very small number of studies that feature in recent, comprehensive reviews of urban agglomeration analyses. In this paper we to investigate the impacts of spatial proximity upon the dynamics of productivity growth in Guangdong over a period of 30 years, using an extensive and geographically detailed dataset in which we assembled employment distribution, wages, skill levels, transport costs, industry composition and fixed asset investment by location. Guangdong, particularly the Pearl River Delta within it, has seen significant spatial differentiation in the rate of productivity growth as an export-oriented mega-city region. For instance, out of the first four national Special Economic Zones (NSEZs) designated by the central Government in 1979, three were within Guangdong. The three Guangdong SEZs however have had distinct

growth trajectories: Shenzhen, the one adjacent to Hong Kong, had the strongest rate of growth; Zhuhai, which borders Macau but is otherwise more distant from the main cities, had the second highest growth; By contrast, the third SEZ in Guangdong, Shantou, which had and still has strong connections to overseas Chinese trading communities through historic emigration but some 450km away from the provincial capital Guangzhou and was not connected to the national expressway network until after 2003, had the slowest rate of growth among all Guangdong municipalities. Meanwhile, those municipalities that are spatially proximate to Guangzhou and Shenzhen, such as Foshan, Dongguan, Zhongshan and Qingyuan, grew strongly notwithstanding their non-SEZ status. We start with established theoretical models that relate spatial proximity and hourly wage rates and control variables both in cross-section and through time. We test new, non-isotropic measures of spatial proximity that are more consistent with travel behaviour in Guangdong, and investigate heterogeneity which reflects labour market transitions in public sector jobs. A comprehensive set of regression models suggest that there is a stable and statistically significant relationship between spatial proximity and productivity from the cross-section analysis: for Guangdong at its current stage of development the central estimate of elasticity of productivity with respect to spatial proximity is 0.124, which implies that doubling the number of permanently employed urban workers proximate to an urban district or county is associated with a 9% increase in productivity. This is considerably higher than the consensus range for developed economies. The time-series analysis is on-going and is expected to complete in late Spring. The findings provide one of the first quantifications of productivity effects of spatial proximity in China. Before concluding, we contrast the results above with findings from our micro-level surveys of companies in the manufacturing and service sectors in Guangdong in order to assess whether the magnitudes of productivity gains suggested by the statistical analysis are supported by observations at the firm level.

Keywords: Spatial proximity, productivity, growth dynamics

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Characteristics of the investment of the Chinese companies in Korea

During the past 20 years, China has been labeled as a big FDI-attracting country. Its outward FDI(OFDI) has also shown great increase. On the contrary, in Korea, although the economic growth has been so prominent during the past few years, yet, in terms of foreign investment, Korea is not that much advanced. After the establishment of diplomatic relation between Korea and China, the investment from China's companies has been increasing. But seen from the amount of investment, Korea has just reached the first stage. The production cost, market size, and market potential have all made China a country of great captivity, while Korea seems to be lack of this captivity. With the background mentioned above in mind, the thesis tries to answer the following two questions as its purposes.

1. Why do Chinese companies invest in Korea? What geographical significance does Korea have for the Chinese companies?
2. What are the geographical characteristics of the Chinese companies in Korea? What are the characteristics of the activities of those companies?

Keywords: Foreign Direct Investment(FDI), Chinese companies, investment in Korea, FID in d eveloping countries

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A socio-spatial approach to market spaces: The case of the global financial crisis

The 2007-9 period saw an unprecedented crisis emerge in global financial markets with the collapse of several large western financial institutions, and the nearest moment of systemic crisis yet witnessed in the globalized financial system. The crisis has thus provoked a significant questioning of market theories, and in particular understandings of market within orthodox neoclassical economics. Within the social sciences, a significant element of this response has built on a growing heterodox socioeconomic literature which is heavily critical of hegemonic conceptions of the market within economics. However, whilst a small body of work in economic geography has begun to engage with this literature, geographical thinking has not directly sought to conceptualise the nature and significance of market spatiality. Utilizing a cultural economy approach, it therefore argues that economic geographical theories need to foreground the concept of market rather than treat markets as a 'component' of wider processes. It further contends that the concept of the 'market' needs to be reconceptualised in a way that captures the spatialities of markets and the difference that space makes to market behaviours and outcomes. Drawing on the growing heterodox socioeconomic literature on markets, it thus proposes a 'socio-spatial approach' for framing conceptions of market spatiality, arguing that such a spatial epistemology opens up a range of theoretical possibilities for further contesting hegemonic neoclassical theories of the market beyond current socioeconomic critiques. It seeks to illustrate the utility of such a framework through a case study analysis of the limitations inherent in existing social scientific and policy commentary on the recent global financial crisis.

Keywords: Finance, markets, spatiality, socioeconomics, global financial crisis

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After relationality: Future directions for economic geography

Over the last fifteen years or so, economic geography has experienced a significant ontological and epistemological shift towards networks, relationships, and socio-spatial processes as key concerns of research. In particular, this shift has been marked by an increasing (and fruitful) focus on the structure and dynamics of economic relationships between actors and the ways in which these influence outcomes such as innovation, global market integration, regional development, economic evolution, and the creation and stabilization of communities of practice. However, despite its widespread application and influence in economic geography, the 'relational turn' remains to some as an incoherent, insufficiently critical, and inconsistently interpreted and applied theoretical project. Specifically, there are concerns that the "objects" of relational inquiries (e.g., micro-social interactions, global production networks, or industrial communities) remain vaguely defined, that the power relations structuring economic networks are inadequately addressed, and that the relational approach is too narrowly conceived and thus unable to engage with the so-called 'big' questions that have concerned economic geographers previously (e.g., the development of national and regional economies). This paper sets out a series of proposals for how relational economic geography might advance the sub-discipline by increasing its sophistication, improve its criticality and clarity, and providing analytical frameworks that can help to unify the diverse kinds of research that fall under the broad 'relational' umbrella.

Keywords: Economic geography, relational turn, epistemology, methodology

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Evolutional process of R&D functions within large factories in the capital region, Japan

Old and large manufacturing plants located in the Capital Region are prized assets for major Japanese companies. Because of the great land value of these facilities, they can be sold to private land developers in order to gain new capital investment. In fact, many such factories have already been closed to construct office buildings and condominiums. However, some core factories still exist, with their role changing from manufacturing products to conducting R&D. The purpose of this paper is to analyze the changes in land use, employment, and functions of such large factories and consider the meaning of regional resilience.

We focus on the old industrial area along the Tokaido Line in the southwestern suburbs of Tokyo about 15-50 km away from the city center. The landscape of this area has changed dramatically. To understand this change, we investigated the changes in the land use of 165 factories along the line from 1974 to 2010. The result indicates that although about half of these factories have been closed, the rest are surviving in some areas.

As for the changes in employment, we examined the restructuring processes of 26 companies, using the securities reports, newspaper articles, and histories of companies. The number of blue-collar workers has decreased in most of the surviving factories since the late 1970s. On the other hand, the ratio of R&D employees has been increasing because of the new R&D departments established in the 1980s and 1990s. To clarify such functional changes within these large factories, we interviewed 12 existing companies in November 2010.

Given the intense global competition, major Japanese companies have adopted a new location strategy to strengthen their competitiveness. They have concentrated their R&D facilities and their mother factories in their home base and decentralized mass-production plants over developing countries. In the Capital Region, they tend to establish new R&D facilities within their old large factories. The reasons for their reinvestments are summarized in the following three points:

1. Some companies, such as Yamatake, NOK, and Takeda Pharmaceutical, integrated their dispersed R&D functions into their new R&D facilities. It is expected that this fusion of different kinds of R&D units enables their activities to become more efficient and to create synergy effects.
2. Other companies, such as TOTO and Sumitomo Electric, evaluated the location advantages of their proximity to the center of Tokyo, since their location made it easy for them to have intra- and inter-company face-to-face communication.
3. Almost all the interviewed companies pointed out the advantage of their location for the adoption of domestic researchers. The adoption of foreign researchers is also an important factor. The regional atmosphere seems to play an important role for economic regeneration in such old industrial areas.

Keywords: R&D, resilience, location strategy, synergy effect, Tokyo Metropolitan Area

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Can the spatial legacies of the authoritarian developmental state be overcome?: The case of South Korea's recent decentralization experience

South Korea has achieved rapid economic growth since the 1960s on the basis of a developmental state model, which is characterized by active state intervention in economic activities and authoritarian ways of governing. Though South Korea was able to achieve both industrialization and democratization, its development path has remained flawed. In particular, the spatial legacies of the developmental state, including 1) highly centralized government structure, 2) uneven regional development, and 3) hostile political regionalism, have impeded the long-term sustainable development of the country. In order to cope with these spatial obstacles, Roh Moo-Hyun Administration (2003-2008) implemented decentralization policies, including 1) administrative decentralization from central government to local and regional government, 2) spatial decentralization from Seoul, the capital of South Korea, to other regions as a way of reducing regional imbalances, and 3) political actions aiming at mitigating hostile political regionalism. These endeavors, however, were unsuccessful because the post-developmental, democratized, but weakened state did not have the ability to overcome the sturdy spatial path dependencies of the developmental state. This paper aims to address the spatial impacts of the Korean authoritarian developmental state and to analyze how and why the decentralization policies of the Roh Administration had become a failure. This study puts its analytical focus on the following questions: 1) what were the spatial impacts of the Korean 'developmental state' model?; 2) is it necessary for a developmental state to become centralized and cause uneven regional development?; 3) how can a weakened post-developmental state with low levels of autonomy take effective measures to proceed with its policies to overcome regional inequalities?; 4) how can the regional innovation system centered on the small-and-medium sized firms be possibly established under the Korea's chaebol-oriented economic structure?

Keywords: Developmental state, uneven development, decentralization, regional innovation system, Korea

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Green growth: A new socio-economic paradigm for Korea

The main objective of the paper is to explain the green growth that Korea is pursuing currently and how it differs from other green initiatives. Green growth refers to growth that is characterized by processes and outcomes that are green as well as growth that is powered by green ideas, technologies, products, and industries. It differs from others in that green growth is more pro-active: It pursues growth and greenness all at the same time: Here what is important is 'green as well as growth', not 'either green or growth'. I demonstrate that there exists a set of policy options that would encourage citizens to pursue growth and greenness all at the same time, thereby achieving further economic development, while maintaining the pollution at current levels or better still reducing it further down.

Keywords:

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On geographical assessment of the Russian Far East natural resource potential

A common way in assessment of the natural resources potential (NRP) on a certain territory lays in description and systematization of available diverse data by various types of natural resources involved in an economic turn. Such an approach from our point of view can be named as economic and statistical one.

It is supplemented with the geographical approach to assessment of the territory's natural resources potential that is effective in consideration of large regions and long periods. This approach focuses on

- consideration of all resources and conditions as interrelated elements,
- definition of wider range of resources and conditions that involved now in commercial turnover,
- allocation of space of the "resource" under consideration,
- natural resources, systems of nature management, subjects of nature management as "rigidly related elements of a system.

NRP of large region represents always a certain temporal "cut" of the dynamic system which state is determined by following processes and factors:

- increase in NRP due to processes of biological growth of bio-objects, exploration of new mineral deposits etc.
- increase in a set of NRP components (types and subtypes of resources) that is associated with growing requirements of social and economic systems and societies in new products that leads to use new resources and technologies, or gives new consumer properties to "old" resources,
- transformation and loss of accessible part of the regional PRP in the course of mastering, conservation and also as a result of natural processes with negative consequences to NRP (fires, climate changes, aridization etc.).

Dynamic state of NRP leads to a constant urgency of its geographical assessment. On the basis of the given approach we assessed NRP of the Russian Far East (RFE). There were found some steady stereotypes in perception and therefore in assessment of the RFE's NRP:

1. Exaggeration of the RFE riches, first of all at the account of operating absolute, instead of relative indicators, like natural resources per territorial unit. A consequence of this stereotype is over-evaluation of dependence of the world and sub regional economy from the RFE's NRP.
2. Possibility in foreseeable prospect to continue operation of the regional NRP on the basis of existing technologies and institutional nature management ways with only partial modernization of industries.
3. Not objective perception of the scales of territorial proportions of the RFE portions, exaggeration of the territorial size and NRP of the mastered South and underestimation of the North.
4. Aspiration to solve development problem of NRP at the expense of the traditional technologies of nature management, internal counteraction to innovations (opposing to external declarations). It is steady orientation to primary extensive mastering of resources.

There are all main groups of natural resources (according to the common classifications) on 6.2 million km² land of RFE and adjoining 5.1 million km² sea space and shelf, namely mineral raw, biological (in-land and marine), land, etc. Specific types of resources (precious metals, coals, fish resources, non-timber forest products, etc.) are hundreds, which consist of tens components, in turn.

Therefore, we need a new shorted typology of natural resources according to their role in maintenance of the future development of the region to operate with the limited quantity of groups at the analysis and to develop the specific strategy of use of every one.

Keywords: Russian Far East, natural resource potential, assessment

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The geography of equity listing in mainland China and Hong Kong: Beyond the home bias

This study examines the geography of equity listing of mainland Chinese firms across the stock exchanges in Shanghai, Shenzhen and Hong Kong. Although geography plays a central role in previous studies

on equity listing in the decentralized capital markets of China, the focus is generally on testing the home bias at home hypothesis. This hypothesis indicates that firms prefer to issue stock on the exchange that is most proximate to a firm's location of incorporation in order to reduce information asymmetries between the issuer and investors. As shown by previous empirical research, there exists considerable evidence of a home bias at home for mainland Chinese firms. However, the advantages of listing on a stock exchange close by are reduced as the geographical distance from the nearest stock exchange increases. As China is an enormous country, this leaves the question whether firms located further away from any stock exchange still make their decision of where to list their shares based on geographical attributes only. In addition, as shown by Karreman and van der Knaap (2011), the home bias at home of mainland Chinese firms has become less pronounced over time. In the period after the introduction of the Securities Law in 1999, mainland Chinese firms have made more deliberate choices of where to list their shares depending less on the geographical attributes of the firm. The objectives of this study are to examine the geography of equity listing beyond the home bias at home effect and to see whether geography of equity listing has changed over time. In particular, a sample of 1084 mainland Chinese firms that issued an initial public offering (IPO) of their shares on the Shanghai stock exchange (SSE), the Shenzhen stock exchange (SZSE) or the Hong Kong stock exchange (HKEX) in the period of 1993 – 2007 is used to address the question whether firms located further away from any of the stock exchanges make different listing choices than firms that are located relatively close to a stock exchange. The effectuation of the Securities Law on July 1, 1999, marks a clear distinction between two periods of stock market regulation and development. Discrete choice models, that is multinomial logit and multinomial probit models, are applied to estimate the locational preferences of firms based on ex ante IPO firms' characteristics. Anticipating the results, this study demonstrates that mainland Chinese firms located geographically distant from any stock exchange make different listing choices than firms located geographically proximate to a stock exchange. However, this effect is becoming less pronounced over time.

Keywords: Stock markets, equity listing, proximity, mainland China, Hong Kong

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Contested food markets in Dhaka, Bangladesh: How rice and fish wholesalers struggle for their "Right to the City"

Resilience has become a buzzword in contemporary thinking about sustainable development. Like the notion of sustainability, resilience invokes a positive and prospective view. It focuses on individuals', organizations' or regional system's capacities to cope with, recover from and adapt to various risks and adversities, and directs attention to the ways in which the state and the society can enhance or erode these capacities. Yet, our knowledge of what constitutes resilience, how it can be described and analysed is still limited. This paper examines the resilience of "traditional" food retailers and wholesalers in Dhaka, Bangladesh in the context of the recent "supermarketization" in South Asia. Dhaka's food system is currently experiencing the fast growth of modern retail outlets. Although we can certainly not yet speak of a "supermarket revolution", this modernisation process, which is driven by global change both in terms of new global food chains and changing food and shopping preferences, impacts the existing retail and wholesale system of Dhaka in many ways. The paper analyses these processes empirically by operationalizing the concept of "real markets", with an emphasis on the politics of markets, and on the resulting institutional arrangements that govern the megaurban food system. Examples are given that illustrate how the existing food retailers and wholesalers ensure the survival of their business organizations in the context of this economic and spatial restructuring process.

Keywords:

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Promoting structural change through cluster policies? A comparison of experiences from U.S. and German "Rustbelts"

Over the past two decades, cluster policies have become firmly established as parts of regional and local economic development agendas all over the world. However, they take very different shapes and have very different impacts depending on the institutional environment and the type of region. This paper theorizes the impact of institutional settings on the design, implementation and outcomes of cluster policies. Drawing on the Varieties of Capitalism (VoC) approach, it contrasts experiences from a liberal and a coordinated market economy. By focusing on two states and two cities heavily affected by structural shifts away from the legacies of early industrialization, both the level of economic development and the type of region are controlled for. Adopting a multilevel governance perspective, the cases of Pennsylvania and Pittsburgh in the United States and North Rhine-Westphalia and Dortmund in Germany are situated within their wider national and - in the European case - supranational institutional frameworks. They are further contrasted with cluster policy

experiences from high-tech "sunbelt" regions and "normal" regions within their countries to single out the peculiar influences of early industrialization and intense structural change. It is found that despite facing the same challenge of reversing a region's economic fortunes, the capacity to orchestrate the necessary changes differs markedly. As a consequence, the design and implementation of cluster policies, as well as their contribution to the structural reorientation of their regions can be quite different. We show that this difference can partly be attributed to differences in the respective national institutional environments as captured by the varieties of capitalism perspective. The paper concludes with a discussion of the potential for mutual policy learning and highlights further research needs.

Keywords: Cluster policy, institutions, structural change, old industrialized regions, varieties of capitalism

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Remapping the production space: The case of Estonian manufacturing

Manufacturing enterprises operate increasingly more in international networks and value chains. They locate procurement, production, distribution, marketing, sales and servicing in different countries across the world. They perform every operation where the price-quality ratio is the best. Success of advanced industrial countries is based on specialization in profitable, high-value-added activities. Incomes of the participators in the world economy are most influenced by whether and how they can find a niche in the high-value-added branch and value chain. The structure of Estonian manufacture in 2008 was out-of-date and required cardinal and fast changes toward greater value added. It was not possible for Estonia only by raising the technological level of enterprises and increasing so-called technical productivity to catch up in terms of productivity with developed industrial countries. The Estonian manufacture needed fundamental and substantial structural changes. Unlike the rich industrial countries, Estonia was not in the least interested in keeping its status quo, and wanted to change it quickly and essentially. The international financial and economic crisis, starting in 2008, provided for structural changes an exceptionally good chance. It had a purifying and disciplining effect, enabled to eliminate from the manufacturing wrong investments and inefficient enterprises. All sorts of developments, international relocation of production and reallocation of economic power gathered speed. Transnational relocation of production – mainly through direct foreign investments, subcontracting, outsourcing, offshoring, offshore outsourcing – was growing at an increasingly faster pace. During the crisis, several industries with long historical traditions, for instance cotton industry, disappeared in Estonia. Also several relatively new enterprises set up by foreign capital in the 1990s, which were primarily focused on cost advantage (cheap labour, electricity, water etc., partly also cheap resources and materials bought from Russia) and not interested in operating in Estonia for long, terminated their activity in Estonia. Many low-technology, labour-intensive and low-capital-intensive productions moved to CIS or Asia. However, employees with low qualifications who had been working in these enterprises stayed in Estonia. Unemployment, of course, increased significantly. During the crisis, Estonian manufacturing enterprises tried to find opportunities in the “declining” market, a profitable niche in the high-value-added branch and value chain. Some leading manufacturing enterprises in Estonia tried also to implement a strategy of leading and successful western corporations. They dedicated themselves only to product development, logistics and marketing. They tried to administer trademarks, product portfolios and value chains. Production was organized in some “cheap” country. They tried to work as “producer without a factory”. Estonian manufacturing might have, in case of appropriate actions, a splendid opportunity to exit from the global financial and economic crisis as a winner, and take up a more dignified position in international division of labour. A problem is that there will be substantially fewer jobs in the new and better structure of manufacturing than before the crisis. Although new jobs may be created in new sub-branches, the unemployed are not suitable for these. Structural unemployment in Estonia will increase. Such development is pushing further still the economic, social and regional stratification.

Keywords: Remapping, manufacturing, crisis, networks, value chains

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Economic inequality and pandemic influenza (H1N1) spread in metropolitan Seoul

Global world has suffered severely from influenza A (H1N1) last two years. More than 1.4 million infections have occurred worldwide. As metropolitan Seoul is no exception, it has over 147,000 infections [1]. People in poor boroughs of metropolitan Seoul are weak for the pandemic disease as newspaper points out [2]. It is hard to understand relationship between economic inequality (gap) and the pandemic disease transfer, because the disease spread is hard to be analyzed in terms of spatial direction and speed. We built a rigorous GIS-based Agent-Based computational Model (ABM) with real data, in which macrobehaviors emerge from microinteractions of individuals over time. This simulation model targets metropolitan Seoul area for influenza

A and economic inequality. This model incorporates *actions* of individual person (commute, work, study, reside and etc.), *attributes* of individual person (age, health condition, sex, residence, workplace, household and etc.), *interactions* of individuals, Korean *culture*, *GIS* data (hospitals, schools, houses, offices and etc.), and *economic data* of households (income, number of cars, transportation choice, house location and etc.) based on Seoul-specific data. The disease information is obtained from historical statistics of similar ones. Analyses of results give us unique observation that public (mass) transportation in Seoul area could play a key role, which is similar to the closed groups such as schools and workplaces. When the ratio of public transportation is high, the pandemic spread occurs fast. The choice of transportation is strongly influenced by economic status of a household. People in Gangnam borough, where is richest in Seoul, have more cars and higher possibility to use private transportation than ones in poor boroughs. This analysis also implicates that own transport could possibly delay pandemic transmission. Hospital accessibility has important influences for the disease spread, and this is also strongly connected with economic inequality. Rich boroughs have more hospitals and better ones than others. As model exogenous shocks, we also apply several intervention scenarios. Those include Korea Centers for Disease Control and Prevention (KCDC) has applied 2009 with social protections like school isolations. Since those did not consider economic gap among boroughs in Seoul, we here suggest better intervention strategies with consideration of economic inequality.

[1] Korean CDC, "Analysis of reported pandemic influenza(A/H1N1 2009) virus infections in Korea: from 2009 to 2010".

[2] Kyung-Hyang Shin-Moon Newspaper, Oct. 8, 2010.

Keywords: Economic inequality, public/private transportation, influenza A (H1N1), agent-based model (ABM)

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Between legal and illegal: Governing slums of the South Korean developmental state during its early industrialization

This study examines the specific mechanisms that had legalized the settlement of slum populations in and around Seoul during the early stage of industrialization, 1960s. The period has been marked the highest immigration rate into and the biggest slum population of Seoul region. The aim of this study is an analysis of the government's peculiar response to the slum phenomenon as one of typical results of capitalist urbanization. In 1968, The Korean government had planned a new town near Seoul to accommodate more than 500 thousands slum residents, although it was frustrated in the end. This study will focus on the rationality of the government's strategic selection between legalizing the slum settlement and leaving illegal. To put it otherwise, I will elucidate the calculation of the state with comparing two ways of governing territory and population, and then interpret this strategy in the context of state spatial production. Furthermore, this analysis will show that the new town policy was isomorphic to the industrial complex strategy that had been planned to displace the pollution industry of Seoul. In doing so, we could figure out the mode of spatial production of South Korean developmental state during its early industrialization.

Keywords: Slum, developmental state, spatial production, displacement

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The economics of 'Sang-Gyeong': Evidence from Korean households

Young people who are living out of the central area, such as Seoul in Korea, should determine whether they continue to live in their familiar environment, or to leave for the central area. The most important motivation for this choice may lie on the economic ground. That is, people may choose to leave if the benefit of the movements wins the cost. However, there is not enough evidence to determine whether this is a fixed result or just one of stereotypes people hold strongly? To examine this question, this paper analyzes the wealth accumulation of young generation grouped by the location decision.

Keywords: Rural-urban migration, Seoul metropolitan area, wealth accumulation, economic motivation of migration

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How do companies value on agglomeration economies?

The advent of network society has raised a question of whether companies still value on agglomeration economies based on face-to-face interactions. Even though studies did not make unified answer, many of them neglect how company's industrial background affects its agglomeration economies. In Seoul, there are three major office subcenters which contain different types of companies: CBD (central business district) contains the headquarters of Korean big conglomerates and foreign companies; YBD (Yoido Business District) is the center of finance industry; KBD (Kangnam Business District) is a center of Information Technologies (IT), business service, and other companies from diverse industries. Since office subcenters in

Seoul have different tenant base, their reaction against economic shock are quite different. For instance, the 2008 global economic crisis made different effects on three subcenters but the aftermaths were unexpected. Many anticipated that YBD would get hit the hardest since YBD is the base of finance industry and the 2008 crisis stemmed from finance industry, and KBD would be the safest place because of the diversity of the tenant base. However, YBD revealed as the safest place and KBD as the least. Korean financial companies decided to maintain their headquarters without downsizing since they had enough cash. On the other hand, many companies in KBD moved their office to other areas where rents were cheaper. As a result, the vacancy rate in KBD soared more than other two subcenters. It may stem from the idea that companies from different industries have different valuation on agglomeration economies, implying that each industry has its own distribution curve for agglomeration economies. Agglomeration economies of finance companies may be higher than IT or business service companies, which lead finance companies to keep being located in the financial hub (YBD). However, IT companies could do their business operations through network, so their preferences to pay for agglomeration economies were lower than finance companies. And their distribution curve is expected to be very wide. Thus, if an economic shock happens, IT companies have higher willingness to relocate their businesses at least they can maintain minimum level of agglomeration economies. The result can be that they can have more choices on their location decisions and more office subcenters can emerge especially for IT firms. By using the smallest administrative unit in Seoul, called Dohng, the authors will measure whether the locations of companies in different industries are concentrated or dispersed. If companies concentrated in a certain space, they are considered to estimate agglomeration economies very high. Global Moran's I can explain the degree of spatial concentration of company locations. And then Local Moran's I will visualize dispersed or concentrated patterns on the map and emerging alternative centers for each industry.

Keywords: Agglomeration economies, office subcenters, industry analysis, spatial statistics

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The change of place in mobile society: Focused on the effect of mobile communication

The wide spread of mobile phones has brought about the mobile society. Mobile society has changed a lot people's everyday life and use of time and space. Public spaces such as streets and squares, semipublic spaces for gathering and talk such as cafes, and the public sphere of the media such as newspapers, radio, and now Internet services no longer exist in their 'modern' form. We can see new modes of public-in-private and private-in-public. Also we can see that there are more complex possibilities for coupling and decoupling across time and space. Especially in Korea, traditional meeting places such as square, station, park and korean tea house have been changed by the proliferation of use of mobile phones. The purpose of this study is to identify various factors that can change the meaning of urban spaces through the use of mobile phones. In order to accomplish this purpose, a survey was executed to 350 persons in Seoul. Based on the results, it is expected that the privatization of public space and the publication of private space with mobile phone will increase in the future as mobile phone will be popular more and more. The Purpose of privatization of public space is communication with people for public and private purpose. This phenomenon is more popular to the younger generation. Second, Spatial micro-coordination and experience of polysemy of place are widely observed in the use of a mobile phone in the private space. Finally, in the mobile society, traditional "space of place" is replaced by "space of flows". It means liminal space which has no boundaries of between public space and private space. Liminal space generally defined as "no man's land" will increase in mobile society.

Keywords: Mobile society, mobile phone, urban public space, polysemy of place

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Cities after the 2008 globalCrisis: What makes the financial hubs get hit the hardest?

This research explores why some cities have gotten hit harder than other comparable cities after the 2008 global economic crisis. By taking into account a focal city's position in economic and geographical networks of cities, our research shows how the city's position affects the change in the commercial office space rent, which approximates economic activeness of a focal city. First, the most affected cities by economic crisis could simply be the global or regional financial hub such as New York, London, Singapore, and Hong Kong. For a year from the third quarter of 2008, the financial hub such as New York, London, Singapore, Hong Kong have recorded much bigger drop in commercial office rent (-20%, -23%, -26%, -19%, respectively) than cities with comparable economic and geographical importance such as Paris, Berlin, Frankfurt, and Seoul (-2%, -0.8%, 0.8%, 0%, respectively). Indeed, it can be taken for granted as the origin of economic crisis stemmed from financial industry. Due to high dependence on financial industry, these cities may experience a dramatic decrease in short-term demand for commercial office rent. In this sense, a city's dependence on financial industry would be the major factor. Second, cities with high level of open economy may get quicker adjustment of economic condition so that these cities may get the biggest drop. It is likely that financial hub cities have

more foreign investors, so they have diverse information. Thus, a city's openness may increase the volatility of commercial office market because office tenants in these cities are quicker to adjust themselves in changing economic conditions. Indeed, New York, London, Singapore, and Hong Kong (standard deviation from 2000Q1 to 2009Q3: 0.11, 0.15, 0.15, 0.11, respectively) have shown greater variation in commercial office rent than Paris, Berlin, Frankfurt, and Seoul (0.05, 0.03, 0.01, 0.04, respectively). By this point, a city's dependence on foreign investment could be the major factor. Third, a city's position in both economic and geographical networks of cities may contribute to the change and volatility of commercial office rent. Rather than simply being a financial hub or being more open to foreigners, the difference among cities comes from how each city is embedded in global economic exchange networks. For example, if both cities are not so dependent on foreign investment, cities that are central in regional economy will exhibit more stability in office rent than cities that are peripheral in regional economy. Drawing from social network theory and exploiting the data from a leading real estate research institution, the authors measure each city's centrality in both global and regional economies as well as entropy indices of each city to measure dependency on a single industry or nation. By this research, the authors intend to give implications on the robustness of regional economy.

Keywords: Global financial crisis, office market, financial hub, open economy, global economic exchange network

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Geographical characteristics of knowledge creation in academic research network

The aim of this study is to identify the geographical characteristics of knowledge creation, especially based on the data of network of academic research. The role of knowledge workers who create and transfer knowledge has been more significant in a knowledge-based society where knowledge is a key factor of economic development. A globalizing economy also interconnects the knowledge worker of different regions which had been separate. A matter of concern in the knowledge-based and globalizing economy are who the knowledge workers are, where knowledge is and how flow of knowledge is controlled. However, it has been controversial how the creation and transfer of knowledge is measured quantitatively. To overcome this problem, in this study, academic scholars and their academic research are subjected to be the proxy for knowledge. Geographical distribution of authors of published papers and their relationship can be traced by the personal data of authors and co-authorship included in the publication records. Since co-authorship could be considered as a link between two or more separate authors and the number of citations indicates the weight of the authors and links between them, a quantitative analysis provided by social network analysis allows more reliable characteristics of academic research network. Reliable publication records, in the Science Citation Index provide with ISI web of knowledge, are assessed by social network analysis; the geographical distribution of the academic research network is characterized by imbalance with leading regions and the others. The trail of the academic research is not only limited within the academics, but also related to the technological and economic development of regions. The imbalanced distribution of knowledge is also a major contributing factor to aggravate a situation of economic inequality. This suggests that developing regions isolated from academic research network should overcome the geographical imbalance of the network dominated by developed regions to enhance the economy.

Keywords: Knowledge creation, academic research network, co-authorship, citations, network analysis

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Conceptualizing the spatial diffusion of organizational routines

The notion of organizational routines has recently been transferred from evolutionary economics into economic geography. Here it was intergrated into the theoretical framework of an evolutionary economic geography. In this approach organizational routines are treated as black boxes while the change of organizational routines is conceptionally widely neglected. Most commonly their distribution in time and space has been regarded as a process of knowledge diffusion by means of the mobility of employees and spin-offs. The aim of our theoretical and conceptual contribution is to open the black box "organizational routine". In doing so we want to develop an understanding, how resources which are available in intra- and interregional networks, (i) avoid or support the diffusion of organizational routines and (ii) affect their stability and change. The organizational routine in a given topical area (e.g qualification of workers, advertisement for a consumer product) will be differentiated into an ostensive and a performative aspect. Deliberately but context dependently acting stakeholders change the routine by the reciprocal bargaining of its structural dimension (ostensive aspect) and realization (performative aspect). While the realisation of the routine as situated practice is strongly connected to the context of its genesis, their structural dimension depicts the organizational internalisation of territorial selection environments. These might be markets, institutions or discourses, which enable or hinder the

actions of the individuals who participate in the routine. Different interests of the individuals who participate in the routine may cause different individual behaviour. In this case they would follow the imperatives from the selection environment differently and they would try to implement each with their own interpretations into the routine. Together with such heterogeneous individual interests differences in territorial and sectoral selection environments would result in the change or stability of this routine. The diffusion is not an “object diffusion”, but a diffusion of aspects of a routine, whose “contentual correctness” or “rule conformity” is mirrored in institutions in networks which differ in different territories.

Keywords: Organizational routines, institutions, diffusion, structuration theory

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Spatial stories of exclusion and belonging: High culture and the Filipino migrant street market in Seoul

Urban public spaces are often marked by processes and experiences of exclusion for ethnic/racial/gender minorities, yet it is also true that they use these spaces to assert their presence and contest dominant notions of inclusion/exclusion. Building on previous work that highlights the importance of spatial narratives and place-making practices for groups at the margin in efforts of forming their own community and identity, this research examines different views and claims about the Filipino Street Market in Seoul, South Korea. The Market attracts more than 3,000 Filipino migrant workers on Sunday afternoons, while it takes place in a state-designated cultural district, named University Boulevard, to promote small theatres, art galleries and other high-culture activities. In our personal interviews with 31 Filipino migrant workers who visit the Market on a regular basis, we focused on both 1) what spatial access and exclusion they experience in urban public places of Seoul and 2) what practices and discourses they develop to make themselves visible and feel belonged in the area. We also interviewed government officials, theatre artists and business owners to learn about their views of multiculturalism, high culture and migrant culture. It is argued that, although their access to this highly-vaunted public place remains limited and marginal in spatial and temporal terms, Filipino migrants nonetheless identify with this street market and lay claims to University Boulevard as “a Filipino place” by willingly neglecting numerous cultural and art events taking place in the area.

Keywords: Spatial exclusion, migrant workers, high culture, Seoul

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Understanding patterns of offshore service sector development in the Philippines: Opportunities for upgrading or replication of earlier debates?

Contemporary globalisation is increasingly referred to as hierarchical integration in a new international division of labour, re-inventing and re-inscribing patterns of uneven development. This paper concentrates on contemporary globalisation by means of the international expansion of offshore service delivery using the expansion of the sector in the Philippines as case in point. Offshore service delivery is still at an early stage of development and there is limited knowledge on the scope and magnitude of this particular form of globalisation. To what extent this follows different patterns compared to industrial offshoring, with regard to issues such as the embeddedness of production and opportunities for upgrading and upward labour mobility has, so far, not been a subject of in-depth analysis. Furthermore, limited knowledge is available on whether it strengthens inequalities between people who benefit from the new economic opportunities and those who are confronted with various forms of exclusion. This paper will identify whether the expansion of the offshore service-sector in the Philippines means a replication of debates on the ‘branch-plant syndrome’ and ‘enclave-development’. Similar to the 1980s and early 1990s when the international outsourcing of industrial activities was extensively studied, this would mean a situation in which access to employment in this sector is highly segmented. Limited economic linkages with the rest of the economy are created and activities can be relocated to lower-cost locations easily as hardly a shift towards higher value added activities takes place. The concentration of the offshore-service-sector in the main urban areas in conjunction with the educational requirements results in a rather selective access to the new jobs (and increasing dualism within urban labour markets). In the Philippines, 80 per cent of the 300,000 newly created jobs in the offshore service-sector are located in Metro Manila. The majority of these jobs in Manila (around 200,000 jobs) are in call centers (customer care) and thereby mainly delivering lower value added services. This type of service production replicates that of export-led manufacturing, where large numbers of young workers are recruited on terms which discourage long-term, permanent contracts or unionization. Employment in these activities is often based on a narrow job description and offers only a limited acquisition of knowledge and skills replicable in other professions. Whether the offshore service sector provides opportunities in the Philippines for a shift towards

higher value added activities or whether it follows similar patterns as the expansion (and eventual decline) of labour intensive manufacturing will be identified in this paper.

Keywords: Contemporary globalisation, labour geography, new international division of labour, business process outsourcing, geography of service economies

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Environmental finance in Asia: The potential shift of financial power to the East in the wake of the financial crisis

Attempts to address climate change increasingly focus on market mechanisms, which price greenhouse gases as a means to cap them. In the wake of the financial crisis, the focus of the markets, which were originally developed in the United States and Europe, is shifting to Asian financial centers. The financial crisis served as a severing blow to negotiations at Copenhagen and has stalled legislation in the US Congress. In the absence of a strong response from the United States, Asian financial centers are seizing the initiative and developing carbon markets and other environmental financial services. At the latest negotiation of the United Nations Framework Convention on Climate Change (UNFCCC) the European Union announced an initiative to support carbon trading in eight Chinese cities. China has developed exchanges in Beijing, Shanghai and Tianjin to support this initiative. In addition, environmental finance is taking root in other cities including Hong Kong, Singapore and Tokyo. The establishment of environmental markets in these cities is significant for several reasons. Once fully realized carbon markets are predicted to be larger than other commodity markets. First movers who are able to claim significant market share and institutionalize paths and mechanisms of finance will enjoy an advantage. Based on the size of its economy and the rate of industrialization, China is a natural center for these markets. Furthermore, carbon markets are intended as demonstration markets. If negative externalities can be managed through market mechanisms, then so too can positive externalities including ecosystem services, environmental conservation and biodiversity. Indeed, the framework of carbon markets has already been modified to incorporate the trade of forest and biodiversity credits. Leaving aside environmental as well as ethical concerns, environmental markets represent an area of tremendous growth opportunity. This paper explores the movement of environmental finance into Asian financial centers in the wake of the financial crisis, and comments on the significance of this movement as well as the potential of these centers. The growth of environmental finance in Asia represents simultaneously the institutionalization of Western ideals, as well as a potential geopolitical shift of financial power from the West to the East in the wake of the recent financial crisis.

Keywords: Environmental finance, carbon markets, financial crisis

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Productivity of infrastructure capital in Russia

We estimate contribution of public infrastructure to productivity in Russian region and pay special attention to spatial impact of the infrastructure. We assume that effects and spatial spillovers of the infrastructure depend on type of public capital and on regions. Different categories of infrastructure may have different impact on productivity, since their purposes are different and their relationships with territory are not similar. To confirm the assumption we, firstly, consider functionally different categories of infrastructure and, secondly, estimate spatial spillovers across Russian regions.

We measure stock of the traditional infrastructure sectors: railways, highways, communication, and use data for 70 Russian regions, covered period is 1999 - 2007. The basic idea of econometric estimates of public capital impact on productivity is to expand a production function $Q = AF(K, L)$ including infrastructure capital stock $Q = AF(K, L, G)$. Where A is total factor productivity, F – stock of private capital, L – labor force and G – stock of public capital. We examine k different categories of public capital and the production function is written as $Q = AF(K, L, G_1, G_2, \dots, G_k)$. Assuming that the production technology can be described by the Cobb-Douglas function the equation can be written as $Q = AK^a L^b G_1^{c_1} G_2^{c_2} \dots G_k^{c_k}$. Using the log-linear Cobb-Douglas form gives

empirical model as follows: $\ln Q = \ln A + a \ln K + b \ln L + \sum_{s=1}^k c_s \ln G_s + \varepsilon$, $\varepsilon \sim N(0, \sigma^2 I)$. We assume existence of spatial spillovers of the infrastructure elements. The dependence of regional productivity on public capital of neighboring regions expands the model: $\ln Q = \ln A + a \ln K + b \ln L + \sum_{s=1}^k c_s \ln G_s + \sum_{s=1}^k \rho_s W \cdot \ln G_s + \varepsilon$. W is spatial weights matrix and $\rho_s W \cdot \ln G_s$ is a spatial lag component.

Our estimates indicate that transport infrastructure does not contribute to the overall productivity growth in Russia. The proposed explanations are low quality of management, state regulation and poor governance. Impact of communication infrastructure on the productivity is positive and significant, probably due to more active technological innovations, more efficient work organization in the sector and less involvement of government.

The element of transport and communication infrastructure generate significant spatial externalities. However irregular behavior of the spatial spillovers across subjects of Russian Federation shows that decision-making and

corresponding financial resources dealing with transport and communication infrastructure elements can be transferred from the federal level to the sub-federal one. However we observe the opposite tendency in Russia.

Keywords: Infrastructure capital, regional growth, spatial spillovers

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Hand shaking with the visible hand: Chinese financial innovations and its responses of the selected GMS countries

In the midst of the neo-liberal world economic order gearing towards a liberalization of economies following the Washington Consensus, People Republic of China has centrally planned and systematically started its economic reform in 1980s. According to the Washington Consensus, there are three reforms that need to be in place to fully liberalize the economy namely production, trade and financial reforms. In the case of PRC, two of the three reforms of production and trade have started and much advanced. Their successful results were also witnessed in terms of the advancement in China's main economic indicators. Chinese think tank has noted that the success of the two reforms occur not because PRC follows the Washington Consensus but rather because of their emerging China Model or sometimes called Beijing Consensus. This paper aims to discuss the remaining ongoing financial reform of China which started in 2000s. This research treated the single Yuan policy as a representative of the financial innovation of PRC. It aims to study policy responses of the selected GMS countries namely Lao PDR and Thailand. This research employed content analysis of the financial policies since its reform and in-depth interview with policy makers of Lao PDR and Thailand as research methods. It is found that the financial innovations in PRC, though, aim at liberalization of the financial sector has a visible hand of the government through Central Bank of China managing the sector. Both Thailand and Lao PDR have not had clear policy response to the ongoing financial reforms in PRC though both were concerned with the impacts that may occur following the liberalization of the PRC financial system.

Keywords: Chinese financial innovations, Beijing Consensus, Greater Mekong Sub-region, policy responses

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Soft innovation modes and the cluster-based regional innovation policy: Future innovation policy for the less favoured Finnish regions?

Innovation has raised among the top of the public policy agendas across the globe. Knowledge based sectors and related activities have been expanding rapidly in advanced economies. The preconditions for innovation and development differ, however, strongly between types of regions, industries or clusters and local innovation system and/or innovation environments and institutional settings. Simultaneously, there is a growing understanding that innovation activities differing strongly between different types of regions and countries also innovation policies ought to be customized to better reflect the needs of a region, cluster and/or knowledge base in question. Additionally, the new modes, "soft innovation modes", of innovation environments and systems within the global innovation ecology stress more proactive, multi-actor and resilient innovation policies than earlier, also at the regional level. All this suggests that generic innovation policies need to be complemented with more differentiated innovation policies. In Finland, the regional innovation policy has been carried through various "cluster policies" or "regional innovation system policy" for more than two decades time. But, we do not know enough about how innovation policies actually work in different local settings, as peripheral regions or old industrial regions, or fast developing but thin innovation environments, or stagnated university hubs. Similarly we don't know how resilient and proactive the typical cluster based innovation policy is and how well it reflects the evolutionary processes within the changed global knowledge ecology. The aim of the presentation is to deepen the understanding about the soft innovation modes and regional innovation policy in the context of Finnish less favoured regions. The further aim is to analyze how soft innovation modes and interpretative spaces are met in the regional innovation policy processes within the various industrial and institutional settings in the Finnish regions, typically categorized not as metropolitan, university hubs, or global or even national (innovation) leader regions. The presentation is based on several case studies and international research projects carried in Finnish regions between the years 2000-2011. Further, the presentation cast overview the specific challenges and themes the industry and regional innovation policy representatives find when fine-tuning and changing the focus on contemporary cluster policies from direct and hard implications toward interpretive, multi-scalar, reflexive and evolutionary forms of innovation policy methods in the regions, reflecting the rapid changes in global knowledge ecology. For the researchers, developers and policy-makers in industrial clusters in the Finnish LFRs, it would be of importance to have analytical tools for understanding their roles in the regional development and the actual generators of the regional innovation policies.

Keywords: RIS, innovation policies, regional resilience, less favoured regions, Finland

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The relationship between start-ups, market mobility and employment growth: An empirical analysis for Dutch regions

Recent literature suggests that two types of competition may contribute to macro-economic performance: the extent of new-firm entry and the extent of competition among incumbent firms. In the present paper we explain employment growth at the region-sector level, using indicators for both these types of competition -the start-up rate and the market mobility rate- as main independent variables. We find several interesting results. First, when it comes to explaining regional variations in employment growth -holding constant the sector of economic activity - we find non-significant results for both measures of competition for industry sectors (manufacturing and construction), but significant positive effects of both measures for services sectors. Second, when the model allows the variables to explain sectoral variations in employment growth as well, coefficients for both measures of competition are significantly positive in both industry and services sectors. Third, the effects of start-ups are generally somewhat stronger than those of market mobility. This is true particularly for the lagged start-up rates indicating that indirect effects of start-ups are more important than the direct effects. Fourth, the market mobility rate seems to play a bigger role in explaining sectoral variations in employment growth than in explaining regional variations. To the best of our knowledge, we are the first to include measures for both these types of competition in a model of regional growth. Therefore, our regression results add to the knowledge base on the relation between competition by new and incumbent firms, and regional economic performance.

Keywords: Entrepreneurship, regional development, market mobility, competition

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Processes of agglomeration in the Altai regions of Russia

Modern Russia even after disintegration of Soviet Union remains one their largest multinational states. It is distinguished by the high mineral-raw potential dispersed on vast sparsely populated and insufficiently developed territories. The disorder of the bipolar world which has occurred in 90th years of last century, has bared a number of problems of the economic-geographical plan connected with non-uniform and frequently by irrational placing of productive forces. Introduction of methodology of strategic management in practice of the Russian establishment has demanded use of new methods and approaches to the territorial organization of a society. On change of large-scale development of northern and east territories by creation of territorial and production complexes – Tyumen oil and gas, Kansk-Achinsk fuel and energy, Nizhnepriangarsky metallurgical development small territorially, but rather competitive economically clusters of regional development, etc. is even more often planned. The principles of strategic planning providing concentration material and financial resources in branches or territories are put in a basis of their creation, capable to the maximum return in conditions of breaking traditional forms of managing (in Russia) and an economic crisis (global level). Except regions of high concentration of extracting sector – basic "locomotive" of economic development of Russia the next years, it is possible to allocate and others territorial clusters which potential has reproduced character and it is focused on development of tertiary sector, mainly, the infrastructural branches, rendering services of different character. It is possible not without bases to carry to such regions Altai including from the Russian side two subjects of federation, and representing high interest with positions of preservation of environment and improvement of the population not only own, but also the nearest environment. The Republic Altai represents unique mountain region with a high biodiversity and granting potential ecosystem services, appreciably defining, for example, quantity and quality of natural waters of one of the largest Ob-Irtyuh of basin. Mountain territories of Altai possess also various recreational resources of a wide spectrum of action – from active before the balneal tourism which is based on own climatic and biologically active medicinal resources, a vegetative and animal origin. Altai Krai differs a variety of environmental conditions, in its territory steppe, forest-steppe and mountain landscapes that defines rather wide variety of kinds and nature management forms are located. The Krai is one of the most agrarian developed regions of the country and plays an appreciable role in maintenance of food safety of the country, mainly, its east regions. In territory of steppe Altai there is a number of lakes of balneal value. Foothill and mountain territories are characterized by high recreational potential, thus level of its infrastructural availability is considerable above, than in Republic Altai. The Altai regions are today object of strategic interests of Russia in the south of Siberia as from positions of high recreational potential, and considering placing on crossing of borders of Kazakhstan, China, Mongolia and Russia. And from positions of strategic management here can be created cluster of medicinal-recreational type with the centre in a city of Biisk, representing original infrastructural and industrial agglomeration a kernel of cluster, and in a raw zone of development of a recreation and pharmacy – adjoining territories of Altai Krai and Republic Altai. Integration processes, characteristic for the modern world community, at local level can give fast enough return, having

raised infrastructural security, investment appeal and the general competitiveness of the Altai regions not only against the Siberian regions of Russia, but also frontier regions of Kazakhstan, China, Mongolia.

Keywords: The Altai regions, strategic management, integration processes, agglomeration

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Rolling back the market? Examining the Lehman Brothers minibonds saga in Hong Kong

This paper examines the chain of events leading up to and following the bankruptcy of Lehman Brothers in the US, its default on HK\$17.5 billion (US\$2.25 billion) of ‘guaranteed minibonds’ in Hong Kong, and response by Hong Kong regulators and the Hong Kong media. It argues that criticisms of the Hong Kong Monetary Authority and developing distrust of the finance industry signify profound changes to Hong Kong’s financial landscape. These processes have theoretical implications for (re)conceptualising markets and the neoliberalisation of Asian financial markets. The paper also assesses the extent to which these response and criticisms signify wider changes in the international financial system and Hong Kong’s position therein.

Keywords: Markets, financial crisis, regulation, Hong Kong

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Patterns of global and local agglomeration in the metropolitan knowledge economies along the megalopolis

Some metropolises emerge as pools of knowledge workers and as environments where interactions and networking among different enterprises are facilitated and lead in turn to the generation and commercialization of new knowledge. This ongoing structural change and economic evolution in the U.S. production and service activities is facilitated in environments offered in several large urban agglomerations, which serve as ‘beads’ along the dynamic US I-95 Corridor, also known as the Megalopolis. Structural processes of change affecting economic evolution along the Boston-Washington corridor include: a) The continuing escalation in the complex division of labor in the economy, the transition to the ‘service economy’ where productivity depends increasingly not just on the manufacturing part of the production process but on the knowledge aspects and service functions within which products are embedded; there is also the rise of the ‘knowledge economy’, a shift away from production that is dependent on material resources to production which exploits knowledge as the key ingredient of competitiveness and innovation, b) The rise of globalization in the last quarter century with a globally distributed production system, which is made possible by the emergence in large metropolises of corporate central organizational service functions (financial, legal, accounting, and other business and professional services) that permit operation in multiple countries, and c) The growing role of spatial proximity in providing knowledge-rich environments in metropolitan areas. Such metropolitan environments offer 1) service (urban) spaces which provide companies functioning as knowledge, innovation, and expertise transfer agents {as in a) above}, and 2) a disproportionate concentration of the coordinating central functions {noted in b) above} in selected global cities. This paper reports on an extended version of shift share model (augmented to consider productivity effects) and on a variety of analyses of the major service sectors. Special analyses of three service sectors—finance, business professional and technical services, and health services—identify their dynamism and key role in the knowledge economy, particularly in large metropolitan regions in the Megalopolis. The paper describes special analyses of changes in industrial location which were carried out to identify patterns—global and local—of industrial agglomeration. A variety of indices of clustering, including the Spatial Hirschman-Herfindahl Index (HHI), and the LISA (Local Indicator of Spatial Association) were used here. Further, a Vector Auto Regression Model and Granger Causality Test figured in these analyses. The indices of clustering and agglomeration developed in this study for locations along the Megalopolis provide evidence of increasing spatial concentration of these services in the corridor and their recent spatial dispersion along linked Interstate Highways. The paper also provides evidence for supporting the proposition that the Boston-Washington I-95 corridor functions like a Functional Economic Region.

Keywords: Creative cities and regions, megalopolis

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Urbanization review: Diagnostics and policy priorities for urbanization

Abstract

Keywords:

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Delivering services in the shadow of giants: Exploring Bangkok’s performance in offshore business process outsourcing

The globalization of services production gives countries and especially cities around the world a chance to diversify their economies and – arguably – to enter a new phase of development. In Asia, much

attention goes out to the remarkable successes achieved by cities such as Bangalore, Mumbai, Manila, Cebu City and Shanghai in becoming versatile global offshore service hubs. It is less well known how other cities in the region fare in this respect. Are cities in India and the Philippines, and increasingly China, with their adequately educated and/or English-speaking labour forces the proverbial winners taking it all? Or are other cities following suit and quietly curving out their own niches in the considerable and still expanding market for offshore business process outsourcing (BPO)?

This paper explores the fortunes of the Thai capital of Bangkok in what has also been dubbed 'the next wave in globalization'. While the city, or better, the metropolitan region is a well-established node in for instance the global production networks of car manufacturers and in global tourism flows, it is highly unclear where it stands in the world of offshore BPO. Rankings published by international consultancy firms sketch a mixed picture. Some award Thailand with a position only just behind regional leaders such as India and China, while others put Bangkok far back in the rear. Software production and animation seem to be strongpoints, and so are medical services. Furthermore there appears to be a special 'Japanese connection', with the city said to be home to a small army of 'outsourced' Japanese workers who are hired by Japanese firms in Japan but paid Thai salaries. Systematic research, however, into the ways Bangkok participates in the globalization of services production, so far has been very thin on the ground. This paper presents the results of some first empirical explorations and develops an agenda for a more comprehensive research project that is planned for the years to come.

Keywords: Globalization of services production, BPO, Bangkok

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On comparative study of forest sectors in the Russian Far East and Northeastern China

Under the study the forest sectors of the Russian Far East (RFE) and Northeastern China (NEC) as analogue and neighboring region have been compared and analyzed. The following common features of both forest sectors have been defined in general:

- both regions are situated in zone of boreal and northern temperate natural forests in the center of Northeastern Asia, which are among the most rich and valuable forest tracts of the planet;
- modern history of mastering of these forest riches in both regions had started nearly simultaneously, over 150 years ago;
- comparable dynamics in volumes of annual timber production with historical maximums in 1986 or 36.7 million m³ on the Russian side, and in 1988 – 31.8 million m³ on the Chinese side;
- similar ways of forestry, forest management, harvesting operations, institutional systems of governance, etc. determined by centralized planned economy, and political system;
- nearly simultaneous reforming of forest economies over the last 10-15 years, transition to the market regulation, privatization of timber harvesting companies;
- exhaustion of old harvesting bases, both in the southern portion of RFE, and in Heilongjiang and Jilin provinces;
- commensurable relative indices like cutting load (cubic meters per hectare) in harvesting operations, labor productivity, population density in forest areas, etc.

At the same time, among most evident differences have been considered:

- uneven development of harvesting and processing in RFE, concentration of logging operations in southern portion of RFE, along railroads, around population centers and in proximity to river and sea ports, while two-third of the forests in RFE remain inaccessible to logging due to the mountainous landscape and lack of infrastructure;
- extensive way of mastering of forest resources on the Russian territory, and intensive one on the Chinese territory, where logging are limited by mainly environmental reasons, especially after adoption of Natural Forests Protection Program in China (1998);
- timber production in RFE was targeted on external demand, in NEC it was mainly local and regional consumption;
- unfavorable foreign investments climate in Russia as a whole as compared with the world recognized attractiveness of China, etc.

It is expected that the coming Russia's entry to WTO will not bring big gains and losses to the RFE forest sector because it is not subsidized by the Government now in any way, and it offers timber of satisfactory quality to the market. Since insufficient own funds it greatly depends on external investments, especially in new forest areas. The future of wood-processing in RFE is vague because of uncompetitive high labor cost on the Russian territory in comparison with China.

Keywords: Russian Far East, Northeastern China, forest sector, similarities, differences

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China in Laos: Special economic zones, neoliberalism, and the expansion of zones of exception

In *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty* (2006) Aihwa Ong, proposes an alternative way to understand neoliberalism. Unlike the common view that often sees this form of capitalism as predatory with adverse effects on the South, Ong argues that neoliberalism should be seen as an extraordinarily malleable technology of governing that is taken up in different ways by different regimes, be they authoritarian, democratic, or communist. Ong suggests that East and Southeast Asian states are making 'exceptions' to their usual practices of governing in order to position themselves to better engage and compete in the global economy. One among the most active nation-states includes China. In creating the state of exception, the Chinese state has produced a variety of neoliberal strategies of governing in order to re-engineer political spaces and populations. One powerful neoliberal strategy under the logic of exception is zoning technologies which has been used to create economic and political zones that spread economic networks and foster political integration. This paper takes its cue from Ong's pioneer work to investigate the expansion of Chinese neoliberalism into Laos through two case studies of Boten Special Economic Zone in Luang Nam Tha province, and Dork Ngouï Kham Special Economic Zone in northern Bokeo province. The paper argues that the process of neoliberalism by exception and zoning technologies represented by Greater China is not necessarily limited within the Chinese Axis but has proliferated into various non-liberal and non-Chinese milieus across the Mekong region. The paper also investigates the particular logic of frontier modernization, discourses of regionalism, and political intimacy employed by the Lao state and Chinese investors in order to facilitate the creation of the Chinese-led zones of exception in northern border of Laos. Particular attention will be paid to the diverse perceptions and responses among local population living in and outside the special economic zones.

Keywords:

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University-industry relations and firms' performances at regional level: Empirical evidence from the Tuscan innovative system in Italy

It is acknowledged that the development of advanced regions is closely related to knowledge- and innovation-based activities, both in traditional manufacturing sectors and in science-based ones. This is particularly evident in Italy, where investments in R&D are among the lowest in Europe and where a deficit also exists in terms of industry's capacities to exploit the results of public research. It is also well known that territorial concentrations are important in the dynamics of the development of high-tech activities at regional level (eg Silicon Valley and Route 128 in the US, Grenoble and Cambridge in Europe and high-tech agglomerations in emergent countries such as India or China). Many studies highlight the factors which influence the emergence and the development of high-tech concentrations. Particular attention is given to the relationships between economic actors (companies and institutions) located in the same area and to the benefits generated by geographical proximity, which facilitates the informal exchange of knowledge, the mobility of human resources, the formation of a regional brand that may attract external firms and people, the creation of a humus that helps the birth of new businesses, etc. Within these high-tech concentrations and innovative networks, the university plays an important role, primarily for its ability to generate knowledge both in the scientific field and in the training of qualified human resources. On the basis of the literature on these topics, the objective of this work is to investigate - through an extensive empirical survey - the role of the university in the dynamics of the development of both high-tech companies and an entire cluster. The literature on this subject has tried to identify universities' contribution to the territorial development by analyzing research spillovers through the examination of publications, patents and spin-off companies generated by research activities and mobility of human resources. In this work, we will analyze the "direct" contribution of knowledge and innovation by the university which derives from the direct collaborations that companies have with the university itself. We will examine whether these relationships influence firms' performance and the growth of the cluster and whether this impact varies according to firms' size. We will use data from a direct survey, conducted via CATI, on a sample of 1500 firms located in Tuscany, within the Regional Observatory of high-tech firms. More specifically, this paper will analyze three aspects: (a) do the companies that have collaborations with universities show superior performance compared to the others? (b) does geographical proximity play an important role in fostering partnerships between local/regional universities and firms located in the immediate vicinity? (c) do the contribution of the university and the role of geographical proximity vary in function of the size of the company? In the last question we will verify the hypothesis that the SMEs often have relationships with universities, especially at local or regional level, while the large firms don't have partnerships or have collaborations with universities specialized in their own field, independently from their location.

Keywords: Regional innovative systems, university-industry collaborations, SME performances, proximity, Tuscany-Italy

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Understanding and teaching on localization and globalization by using “Food Mile” concept

This study is designed to increase learner's interest and academic achievement by constructing and applying the food mile concept to lessons using the distance of food(food mile), an educational topic from our daily life experiences. We can understand the spatial change through food mile because the distance of food is getting longer due to the globalization of agriculture. Also, we can learn the localization with the movement of using their own agricultural products made in their own areas.

There are several possibilities and meanings from this study.

This study let students naturally understand not only the concept of location, distance, and movement, but also the meaning of space in terms of, locational, national, regional, and global scales in the course of investigating and mapping the places of origins. This study let students become interested in regions and nations which they have never visited and have the geographical perspectives. Furthermore, geographical imagination was expanded from the course of thinking the reason why the food(food supplies) was produced in and moved onto specific regions. Throughout several field surveys, this study let students increase the understanding of mutual complement between the regions and nations resulting from globalization and localization through movement of daily food.

Keywords:

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Spatial structure and agglomeration economies in US metropolitan areas

The purpose of this paper is two-fold. First, it will estimate net agglomeration (dis)economies in both production and consumption in US metropolitan areas using the intercity labor and land market equilibrium framework grounded by Roback (1982) and further developed by Tabuchi and Yoshida (2000). Second, this paper will examine the role of spatial structure in mitigating negative externalities while sustaining the positive externalities of city size. Substantial evidence has accumulated on the existence and extent of agglomeration economies (for surveys of the literature, see Moomaw 1983; Gerking 1994). In general, firms in large cities tend to have higher productivity because they can either lower production costs or facilitate competitive innovation due to agglomeration economies that arise from a variety of sources. Not only firms but also people have more chances to learn and acquire skills in urban agglomerations that offer higher returns (Glaeser 1999). Moreover, consumers in larger cities enjoy a variety of specialized goods and services, and cultural and entertainment opportunities (Clark, Kahn, and Ofek 1988). High-end restaurants and Broadway musicals in Manhattan and professional sports teams in big cities are examples. However, urban size is not without costs. Firms and households in large cities also experience negative externalities such as congestion, pollution and higher crime rates. It is this tension between agglomeration economies and diseconomies that shape spatial evolution in cities. To the extent that a city's spatial structure can evolve in such a way as to mitigate the negative externalities of city size, it can facilitate continued growth or achieve better odds of upward mobility in the urban hierarchy. The transition from monocentric to polycentric structure, or decentralization in general, has been thought of as one way of abating diseconomies in urban size (Sasaki and Mun 1996; Fujita, Thisse, and Zenou 1997). In Europe, polycentric structure is increasingly a popular spatial development strategy in which multiple centers 'borrow size' of each other or benefit 'regionalized externalities' (Phelps and Ozawa 2003). However, little research has been done to empirically test this hypothesis. To fill the gap in the literature, this paper will investigate the role of spatial structure, especially polycentricity, in facilitating agglomeration economies. Roback's (1982) general equilibrium model provides an excellent theoretical framework for this study. We will use income and housing price data from the 2000 Census Public Use Microdata Sample (PUMS) and other sources for various amenity data. Urban spatial structure variables will come from the author's previous research (Lee and Gordon 2007).

Keywords: Spatial structure, polycentricity, agglomeration economies

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Next step for cluster evolution: Case of Korean cluster policy development

The purpose of this paper is to examine cluster policies of Korea and to suggest next step policies for sustainable cluster evolution. Since the 2000s, many studies in the economic geography and regional sciences also focused on the clusters and relevant policies to seek new paradigm of industrial and regional development in the global economy. In Korea, the industrial complex played significant roles in setting up the base of industrial development in the early stage of economic growth. Since the mid-2000s, the central government of Korea drives new policies to reform industrial complexes of simple agglomeration of firms to innovative clusters of synergy effect of networking with related firms. This policy has been evaluated successfully generating tangible results in the development of the national economy. However, new issues and paradigms are

required for sustainable development and upgrade of clusters at the point of finishing first stage policy projects. In particular, considering recent formation of Mega-Economic Region system and paradigm shift characteristics, this change is very meaningful to suit local conditions and for next step of cluster policies in Korea. Future strategic direction of the cluster have to consider the different condition of individual location of firms and industrial complexes, autonomous responsibility of each cluster and tailored cluster to local conditions.

We suggest five policy directions for creative and sustainable clusters; so-called 'S-M-A-R-T' cluster policies in Korea. First, industrial complexes of the cluster development are to emphasize 'Sustainability' in temporal aspects for the long term. Second, the spatial aspects of economic development business for the cluster that should be strengthen 'Multi-Hub' and 'Multi-Node' in Mega-Economic Region system for tight networking. Third, embeddedness of local industry and development is to emphasize value creation and promotion of indigenous 'Anchor Industry'. Fourth, to promote the development of industrial complex in the cluster, endogenous development and 'Resiliency' to external shocks associated with overcoming several problems. Fifth, for the development of creative assets, 'Talent & Technology' is important for the industrial complex from the viewpoint of creative class.

Keywords: Cluster, evolution, S-M-A-R-T cluster policy

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National economic shocks and regional income inequality

The purpose of this research is to analyze impacts of national economic shock on regional economic growth of developed and less-developed regions in terms of business cycle. This can identify how the economic growth rates of less-developed region depend on the national economic levels using an asymmetric pattern of economic business cycle such as recovery and recession periods. The asymmetric economic growth function is employed quoting Barro's economic growth model and using regional data from 1985 to 2009. The analyzed target area is Jeonla region south of the Metropolitan area in Korea. The regional economic growth pattern of developed and less-developed regions will be different. For example if the economic growth rates of less-developed region will be strictly asymmetric between the recession and the recovery comparing to developed region, the growth of less-developed region will seem a long way off. This will provide the important implications for the growth of less-developed region. Lastly the factors and policy necessary for the growth of less-developed region will be suggested.

Keywords: Asymmetry of regional economic growth, recession, recovery

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Industrial variety and recovery capability of regions after economic shock: A case of South Korean manufacturing industry during 1997 Asian financial crisis

The study aims to examine the relation between the regional industrial variety and economic resilience. By conjoining the ideas of evolutionary and relational economic geographies, this study will theoretically articulate the concept of relationality or relatedness in interorganizational spatial network and its relation with economic resilience. In doing so, it will emphasize the importance of empirical analysis about exit-entry-switching behaviors of establishments as micro-mechanism of industrial resilience process. Under these theoretical considerations, the study will examine how the difference in industrial variety differently affects industrial dynamics and the recovery capabilities of regions after idiosyncratic economic shock. The case of late 1990s and early 2000s South Korean economic adversity triggered by 1997 Asian Economic Crisis provides the unique semi-experimental opportunity to observe the different resilience of regions against economic crisis. Using local establishment-level corporate data by Korean local unit (similar NUTS 3 level) and sector (three-digit) before and after 1997 Korean crisis (1995-2005), this study will quantify the regional resilience and estimate the effect of spatial industry structure on recovery capabilities of urban economies from the crisis. The study will be expected to contribute to answer how structurally different the industrial structures and dynamics of resilient regions from those of less-resilient regions.

Keywords: Resilience, industrial variety, recovery capability, 1997 Asian financial crisis

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Service economy and the choice of migration: Does temporary work matter?

Since mid 1990s as service economy had dominated Korean economy, several distinctive economic reconstruction have occurred in Korean which also have changed way of working of individuals. The aim of this research is to analyze the change of migration patterns which have influenced by service economy, particularly by its employment system with large amount of temporary work.

Service economy has brought changes in occupational structure and also in employment system which include large amount of temporary works. In Korea many young women in clerk work and other service work have

increased in service economy and their employment status also changed from permanent to temporary work because of the characteristic of service economy.

It has been analyzed that how the migration patterns of the young women specially in finding jobs have been affected by temporary work in recent service economy in Korea. Questionnaire approach has been used to analyze the individual migration pattern in finding jobs and also some of interviews have been done. As a result, first, the possibilities of finding jobs in SMA have increased if the young women have entered university in SMA (Seoul Metropolitan Area). They wanted to stay in Seoul even though they work as temporary worker to get another chance to find a permanent job. However it is an important matter to have at least “Jeonsegeum” to rent an apartment whether they can stay in SMA or not. Second women who graduated universities in Non-SMA (Non-Seoul Metropolitan Area) wanted to stay in their places if they are working as a temporary worker. Also they wanted to stay their place if they have chance to work as temporary in other regions including SMA. The reason not to move to other area is that the wage of temporary work is very low (half of the permanent work) which makes young women to avoid geographical moving. Third it is founded that women who is working as permanent showed the most high mobility who think they can move to another region if there is work to do as a permanent work.

It shows that the preference in living in SMA have decreased because of the high cost of living in SMA and the development of service economy in Non-SMA. However SMA labor market still have strong pull factor for young women specially who have already entered in SMA.

Keywords: Temporary work, young women, migration, labor market, SMA

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Local economic and social resilience in the advanced economy: Accessibility to gendered local labor market and urban opportunities in the city of Detroit

The globalization of the world economy has enabled unprecedented growth in wealth and population in ‘global cities’ such as New York, Los Angeles and London. However, some former industrial cities in the advanced economies have suffered from their rigid economic and social structure. As the quintessential American industrial city, the City of Detroit—the ‘Motor City’—and its region has experienced a significant spatial reorganization based on the ebb and flow of its economic resilience and performance. Alongside inner-city poverty, as the most impoverished among large cities in the US, the city of Detroit has experienced a rapid decline and physical contraction; becoming a classic example of a shrinking city. This failure comes, in part, from ill-proposed policies on local economic organization, but it is also associated with the decentralization of manufacturing in an era of globalization. Urban researchers have been exploring spatial relations of diverse social groups in globalized urban areas for decades. It is understood that local labor markets have been restructured by global labor relations, as well as regional/local social dynamics. In addition, there has been an increasing recognition that local labor geographies are segmented by gender and race/ethnicity. Corporations and retailers locate their offices in the suburbs in an attempt to target suburban housewives and mothers as part-time labor. Despite of the increase in their participation in paid-labor, women are still the primary household care taker, and as a result, they are willing to take part-time jobs in order to fulfil their multiple roles. Moreover, in many US suburbs, women are geographically constrained by the decentralized locations of their homes, jobs, and other services. In contrast, a different set of socio-economic pressures face women in declining urban cores. In the inner-city, racial and ethnic minorities are generally limited to low-paying and difficult personal service jobs. Furthermore, poorly developed alternative transportation modes to the automobile in city centers place another barrier to urban minorities. Thus, within declining urban regions, minority women living in the inner-cities confront the lowest income positions and are often the most disadvantaged in the advanced economies. In this research, socialized access to labor market and other urban opportunities by gender and race/ethnicity will be analysed in the Detroit region. Exploring socialized accessibility and mobility plays a key role to understanding the quality of life of diverse social groups in the city, and contributes to establishing policies and strategies for improving the local economy and the social resilience of the city.

Keywords: Local economic and social resilience, labor market segmentation, gender, race/ethnicity, Detroit

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Fashion industry in Korea: The spatial characteristics of production and consumption

The fashion industry has long been one of the major industries in Korea, and it remains so in the knowledge-based economy where productivity depends increasingly not just on the manufacturing part of the production process but on the knowledge aspects and service functions within which products are embedded. The Korean fashion industry consists of many separate but interdependent sectors related with the production of

raw materials, the production of fashion goods by designers, manufacturers, and wholesale/retail sales, etc. The Korean fashion industry shifts away from textile and clothing production that is dependent on low wage labor power to high fashion design production which exploits creativity as the key ingredient of competitiveness and innovation, and thus the production and consumption spaces have also been transferred significantly. This study investigates the spatial characteristics of production and consumption of Korean fashion industry since Korean economy has entered to knowledge-based economy. In particular, we analyze the location patterns of each part of fashion industries and their spatial interdependencies. Each segment reveals significant difference in the spatial distribution patterns. Interestingly, manufacturing firms of clothing concentrate at the central parts of the metropolitan Seoul, while retailers/wholesalers are dispersed over the region. We perform special analyses of changes in industrial location. In particular, we identify the global and local agglomeration patterns by applying LISA (Local Indicator of Spatial Association). This study provides evidence the growing role of spatial proximity to knowledge-rich environments in metropolitan areas in the Korean fashion industry. The results clarify the distinction in the agglomeration patterns among the segments of fashion industry. We also explain the relationships with other geographical variables.

Keywords: Fashion industry, knowledge-based economy, production and consumption spaces, spatial characteristics, creativity, LISA, global/local agglomeration

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What makes more successful and less successful technological catch-up: Analyzing the 10 late-comer countries

This paper examines the relationship between the technological regimes (Nelso and Winter 1982) and the technological catch-up, comparing performance of 10 countries using U.S. patent data. This study extends Park and Lee (2006: ICC) which examined the cases of Korea and Taiwan. It takes the new question of what differentiate more successful catch-up (in East Asia or Korea and Taiwan) from less successful (or next tier) catch-up. A total of 8 next tier catching-up countries are selected: Malaysia, Thailand, China and India; Brazil, Mexico, Chile and Argentina. It finds that while the first 2 show higher performance in shorter cycle time sectors, but the next 8 show lower performance in short cycle sectors. This finding indicates two faces of leapfrogging argument (Perez & Soete), such that emergence of new technological paradigms or cycles may permits leapfrogging or act as additional barriers to the late-comer without strong absorption capacity. We also finds that Latin 4 are found to be doing well in scoring patents in short cycles sectors but weaker in continuously filing more patents in these sectors, compared to the Asian 4. This pattern implies no specialization into advantageous sectors by the Latin 4.

Keywords: Catch-up, technology, late-comer countries, Asia, Latin America

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Regional resource-based industries and regional value

This study is about the emergence of a region's importance on the process of the firm's globalization. This study is shown that how "Region" is illuminated on process of firm's activities in local resource-based industries by adopting the concept of regional value. Region is used as a reputation value. The value of region's reputation is helpful for the sales of firms, or the reputation of firm's brand within region. That is, regional value is produced by the firm's activities in a national and global stage. It works for centripetal force that entices firms in other region into inward region. The results of this study emphasize the role of regional value. Regional inherent value is most important on the process of formation of regional resource-based industry. Regional value is important to locate firms in a region. This is the first regional value. After the formation of industrial districts, relational value is most important to the networks of among firms and institutions in region. This relational value is defined as the second regional value. In the next step, the activities of firms to the world are progressing and they are accentuating the regional specialty of their product. In this process, regional value is transferred to a firm's value. Through firms entered global market, whole industry's market has broadened. The important thing is that on this process, especially, regional value is illuminated. The third regional value occurs here. This value goes back to the second value. Thus, regional value is circulated.

Keywords: Regional resource-based industries, regional value, network

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Redevelopment of retail agglomeration in Japan: The case of Marugamemachi shopping street, Takamatsucity

The smaller the scale of city is, the weaker shopping streets of conventional type are. In Japan, we could see the rapid urbanization cities which were occurred by economic development in 1970's. Through 'lost decade' in 1990's, however, local cities except Tokyo, Osaka, Nagoya and Fukuoka, that are major cities, have

been recessed rapidly and seriously, and the central areas of local cities have been weakened as well. Moreover, growth of other retail types like Hypermarket, GMS, Supercenter which are located in suburb area, have fomented the recession of central area. Recently the concept of Compact City is getting focused and it is discussed that retail agglomeration's function should be strengthened for the regeneration of centre area, so government is carrying out various kinds of subsidies and support program, however, its effect and evaluation has been bad so far. I introduce the case of Marugamemachi shopping street in Takamatsu city. Takamatsu city is the capital of Kagawa prefecture which is the smallest prefecture in Japan. This small city which has only 40million population, however, undertook redevelopment project on its way that was started from changing the conventional system on retail agglomeration. In Japan, mostly shop owners do their business on their own property, and shopping street is composed of them. Therefore, even though they organized associations (by district), it's very hard to get started joint business or joint events together because the associations have no authority to force to take part in. And this is the biggest obstacle against redevelopment. Especially local retail agglomerations in Japan have suffered from declining, so there have studied in various ways how to revitalize them. The Marugamemachi's case is meaningful for its redevelopment way. The Marugamemachi shopping street association adopted unprecedented system (= 'lease') that separate using right from ownership of property, and made it for association possible to control shopping district. And following this case, I could see how 'local retail system' has been set up and how the system works on this redevelopment scheme. Marugamemachi shopping street is still under redevelopment, however, I think that this case implies how each retail agglomeration builds its own 'local retail system' and the possibility of regeneration of local retail agglomerations.

Keywords: Local retail agglomeration, 'local retail system', redevelopment, Marugamemachi shopping street, Japan

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Is it possible to fill the irreconcilable gap between the ecological modernization theory and metabolic rift theory? The case of the Green Growth strategies of South Korea

Facing climate change and deepened economic crisis, primary economic actors (such as capital, nation-state) have focused on "ecological modernization theory" (EMT) which tries to overcome such crisis through innovation of political economic system and efficient use of materials. However, eco-Marxists based on "metabolic rift theory" (MRT) criticize EMT as it neglects problems of capitalist system which pursues accumulation for accumulation's sake and aggravates the crisis inevitably. In other words, while EMT tries to find hope in capitalism, MRT dreams of new society beyond it. Paralleling of two theories, however, shuts off any possibility of discussing alternatives in the spectrum of existing capitalism and beyond it. Therefore, this paper tries to find possibility of filling the irreconcilable gaps between two theories through reviewing case of 'green growth' strategies of South Korea which adopted main assumption of EMT. There are two different versions of green growth; applied into the context of South Korea and the third world countries. Although many policies in South Korea version are famous, for example 4 major river restoration project, they are unsustainable and give no clue in filling the gap of two theories. The third world version of green growth (Seoul Initiative Network on Green Growth, SINGG), however, can give some insight on the task of filling the gap. As it tackles the issue of poverty through concept of eco-efficiency which is based on the assumption of factor X; more output by less input and adopts context-considering tools. In sum, EMT considering geographical context have potential of reconciling the gap of EMT and RMT.

Keywords: Green Growth strategy, ecological modernization theory, metabolic rift theory, the third world, development, South Korea

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China's geo-economic strategy towards North Korea

China's vision over North Korea is often described as a desire to maintain the regional stability around the Korean Peninsula, for sound economic development of China. Though this view may be useful to interpret China's long-term goal, it cannot explain the newly emerging complexities of Sino-North Korean relation. For instance, why does China actively engage with North Korea in terms of economic relations even after North Korea's second nuclear experiment in May 2009? According to China's "Security-First" approach – which includes the denuclearization of the Korean Peninsula –, should China impose strong sanctions along with the U.S., Japan, and South Korea? Also why does China actively pursue trans-border territorial development projects with North Korea while the military conflicts between South Korea and North Korea are getting out of control? To answer these questions, it is necessary to delve into some intricate issues about Sino-North Korean relations. Here I will focus on the underlying motives of China in the recent aggressive move towards North Korean economy. While there are two prevalent views about this new situation – first, the conspiracy theory that

China colonizes North Korea; and second, China's passive gesture to survive the North Korean economy –, I challenge both ideas here and claim that China's economic interests from its relations with North Korea become an important variable in Chinese policy of North Korea—the imperative to develop Northeast Chinese economy.

Keywords: Northeast China; North Korea; Tumen and Yalu River; Changchun-Jilin-Tumen River Pilot Zone; Liaoning's Five Points and One Line Strategy

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Agglomeration economies and regional growth in catching-up regions: Evidence from the Hungarian transition

Knowledge externalities appeared as key concept in first regional growth theories developed by Alfred Marshall (1890), which has been further elaborated during the twentieth century with an evolving intensity in the last decade and turn of the millennium. Evidence was found proving the effect of regional specialization (Henderson et al., 1995), local competition (Porter, 1990), and diverse urban environment (Glaeser et al., 1992) on regional growth. However, these theories and empirics are mainly based on developed economies, and they do not sufficiently consider the experiences in other less developed regions. Transition economies are particularly interesting from this viewpoint, because most of them underwent at least 4-5 decades long economic development period which was earmarked by socialist industrialization. This process meant a forced economic restructuring that also largely altered previous spatial patterns of economic activity. Under the planned economy, production was concentrated in large state-owned enterprises in selected locations. The change to market economy resulted in high unemployment rates in the early '90s because these big state-owned companies went bankrupted or were privatized by foreign investors, which was followed by a thorough portfolio-cleaning. Greenfield investments by large multinational enterprises (MNEs) usually started operation with more simple activities based mainly on cheap unskilled labour as local production input. However, MNEs continued investments using more value-producing resources including skilled labour, local engineering and R&D capacities. Domestic companies play only marginal role in the supplier networks of these companies; there is a huge gap between MNEs and a big number of less matured small and medium-sized companies. Using annual census-type data of Hungarian firms, we empirically examine the relationship between the agglomeration economies and regional economic growth. Our empirical results suggest that regional specialization and a concentrated industry structure with big companies have a statistically significant and positive impact on total factor productivity growth. These findings support the Marshall-Arrow-Romer model of local knowledge externalities. However, domestic and foreign companies have an opposite effect on spatial growth. The presence of foreign companies resulted in an increased level of both labour and total factor productivity; meanwhile the initial level of domestic companies retarded productivity growth. Moreover, employment concentration is negatively related to production growth. In other words; the lower the initial employment concentration of certain industry the faster the employment growth was in regions. This is because investment were led by low-cost motivations and economic activity spread to lower wage regions; meanwhile a catching-up prevailed to a previous state of employment levels. Consequently, the spread of standardized production might describe regional employment growth in transition economies better than agglomeration economies.

Keywords: Knowledge externalities, regional employment growth, regional productivity growth, transition economy

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Control by proximity: Evidence from the "Aerospace Valley" competitiveness cluster

The principal objective of this paper is to improve our understanding of how proximity facilitates control relations in a cluster. Proximity literature insists that the biggest beneficial effect of proximity is the fact of facilitating knowledge-sharing between agents. The role that proximity could play as regards the control of other partners has, however, seldom been analyzed. In order to do so, we consider that there are two theoretical steps, involving proximity and control definitions, and subsequent examination of the relationships between these concepts. Proximity itself concerns two sub-categories: organizational and geographical proximity. The first, organizational proximity, refers to a combination of certain shared characteristics (legal structures, similar markets, similar technologies...) and coordination tools (language, norms, routines, rules...). As for geographical proximity, it should not be confused with geographical distance. Distance designates a quantitative expression of the relationship between two objects/individuals, proximity signifies a qualitative judgement, necessarily subjective, of a short geographical distance. We then consider two types of control: the formal and the informal. Formal control mobilizes cognitive resources and political coordination tools in order for an agent to be able to verify that his partner is acting in accordance with his expectations. The other, informal type of

control, is indirect and takes place through agents' social networks: agents pay for their opportunistic behavior in their personal relations (bad reputation, exclusion from social groups...). The exercise of this kind of social control is based on deterrence. These definitions enable us to explore whether the two forms of proximity - geographical and organizational proximity - facilitate the formal and informal forms of control. We put forward two hypotheses. Firstly, organizational proximity between agents is a necessary condition to exercise formal and informal control. Secondly, geographical proximity serves to intensify control: the fact of being face to face allows partners to be monitored (formal control), and social networks are often localized in small places (informal control). In this case, geographical proximity locks in relationships between agents. The empirical analysis presented here is based on the study of a research project collaboration networks in the "Aerospace Valley" competitiveness cluster (Southwest of France). This world competitiveness cluster, created in 2005, is specialized in aeronautics, space and embedded systems. 365 establishments (notably, big groups) are members of this cluster, and these establishments collaborate through 92 research projects brought together in 9 different Strategic Activity Domains (SADs). To test our theoretical hypotheses (organizational proximity is a condition to exercise control, geographical proximity intensifies it), this empirical analysis examines the links between proximity and control in the 9 SADs. Organizational proximity is determined by means of additional indicators: the size and legal form of the establishments, whether or not they belong to a similar sector, and whether or not they belong to a similar firm. Geographical proximity between SAD agents is estimated through the co-localisation of agents in the same region. In order to obtain an initial estimation of formal control, we use the measurement of centrality employed in social network analysis. As for informal control, this is defined via the scientific governance of the SADs. We have already obtained two preliminary results. We show, in particular, that competitiveness clusters not only permit knowledge transfer but also act as a coordination tool to reinforce the control of big firm clusters. We also show that, the closer agents are geographically, the more central they are in the innovation network, thereby validating our hypotheses according to which geographical proximity can facilitate control.

Keywords: Organisational proximity, geographical proximity, formal control, informal control, business and research cluster, aerospace industry

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Spatial impacts of carbon tax on regional economic development in China

Low-carbon economy has become the worldwide trend to deal with climate change. China has also taken actions to reduce greenhouse gases emissions to develop low-carbon economy. Carbon tax is recognized as an effective tool to reduce greenhouse gases, which may be possible in the future for China. However, carbon tax policy may bring different responses across regions and imbalance regional economic development, because China is featured by diversity of natural environment and resources and spatial heterogeneity of economic development due to its large scale of territory. This paper focuses upon the impacts of carbon tax policy on regional economic development in China towards 2020 applying policy simulation approach using a dynamic multi-regional computable general equilibrium (CGE) model. The model is characterized by the economies of the 30 Chinese regions, interregional flows of goods and services, interregional movement of primary factors, embedded by energy and emission modules, and realized dynamic by capital accumulation, labor growth and technological improvement. Then, this paper use this model to simulate spatial impacts of carbon tax based on different scenarios. Simulation results show that under the uniform carbon tax, Northwestern, Central, Northeastern and Northern coast are of more emission reductions and larger GDP losses due to the large proportion of energy exploitation and high emission industries and low production technologies, while Central coast and Southern coast regions have less impacts, which will widen regional economic disparity. Implementation of regionally differentiated carbon tax makes the reduction effects transfer spatially to some extent, which may alleviate differences of impacts of CO₂ emission reduction on regional economy and then help to reduce regional economic disparity. Therefore, from the view point of efficiency and equality, regional differentiated carbon tax policy designed from the perspectives of regional coordinated development or uniform carbon tax with subsidies to the undeveloped regions, may be a win-win choice for developing low-carbon economy and promoting harmony development of regional economy in China.

Keywords: China dynamic multi-regional CGE model, low-carbon economy, carbon tax, regional economic disparity, spatial structure of regional economy

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Changing institutional regimes and cluster evolution: An ethnography of Dali aluminum extrusion industry, China, over the past 30 years

In the past decade, cluster research has gone through a paradigmatic transition from emphasizing the local institutional regimes behind economic relations to stressing the evolutionary trajectories created by local

actions. A dilemma across these two paradigms is how institutional regimes simultaneously shape and are reshaped by the choices of local agents. From an institutional perspective of regions, conventions, routines and norms enable local agents to act collectively, which maintain clusters in a “high road”. However, from an evolutionary standpoint, the road of clusters is instead chosen by local agents dynamically. To bridge the gap between the institutional and evolutionary turns in regional studies, a dynamic view of institutional regimes is required in correspondence with different stages of clusters. But how can institutional and evolutionary processes be integrated in an analytical framework? By combining context, network and action in a coherent way, this paper proposes a tri-polar framework. Deduction of the tri-polar framework reveals how regional institutional regimes restrict the choices of local agents in a lock-in process, but also explains how local actors reshape traditional conventions in a structuration way. To test the analytical framework, we investigate an ethnography of the aluminum extrusion industry in Dali, Guangdong province, China, over the past 30 years. The rise of the aluminum extrusion industry in Dali suggests that trans-local institution reforms interact with local industrial tradition to open local windows of opportunities. The later evolution of this cluster illustrates how the formation of a new generation of entrepreneurs destructs previous learning networks and reshapes action and interaction within and between firms.

Keywords: Changing institutional regimes, cluster evolution, new generation of entrepreneurs, aluminum extrusion industry

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Spatial divergence and productivity convergence across manufacturing industries in the Pearl River Delta, China

The Pearl River Delta (PRD) in the southern China has experienced dramatic economic restructuring and industrialization since the late 1970s. The historical paths and nature of economic development and industrialization in the PRD have been extensively documented. Relatively little is known about the temporal and spatial evolution of industrial productivity, especially in the post-WTO period. This paper intends to explore the evolution process and dynamics of productivity across manufacturing industries in the PRD in the post-WTO period based on the micro firm-level census data. The coefficient of variation (CV) of industrial value added per capita is measured to explore whether the productivity has been convergent or divergent. We found a significant tendency of productivity convergence at two-digit industries level during 2001-2007 in the PRD with increasing spatial production heterogeneity. However, there is increasing industrial specialization and spatial productivity divergence at the county level. Furthermore, this study investigates the correlation between the productivity convergence of industries and the spatial productivity heterogeneity, and the dynamics of productivity convergence as well. We propose that spatial spillovers contribute to the industrial productivity convergence as stated in endogenous growth theory. The spatial lag model and the spatial error model are adopted to test the proposed hypothesis by considering the effects of spatial externality, heterogeneity and dependence. We apply the generalized method of moments (GMM) estimator to mitigate the endogeneity issue in the estimations. The empirical results indicate that the spatial spillovers rather than industrial spillovers have contributed to the manufacturing industrial productivity convergence in the PRD. In addition, the homogenous culture and social background, spatial approximation influences the productivity convergence.

Keywords: Spatial divergence, productivity convergence, manufacturing industries, the Pearl River Delta, China

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New industrial development path based on regional policy: A case study on the photonics industry's growth in Gwangju, Korea

This study investigates the regional characteristics of the photonics industry's growth in Korea, especially in Gwangju. Gwangju is one of the six metropolitan cities except the Capital, Seoul, in Korea but doesn't have the established bases of industrial specialization or leading. Its regional (industrial) economy seems to be based on branch plants economy. And the photonics industry is a new industry at the regional(Gwangju) level as well as at the industrial level. Considering these aspects, Gwangju with weak regional (industrial) economic and the photonics industry-related bases seems to be in unfavorable condition. But, since 2000, Gwangju has promoted the photonics industry as regional strategic and specialized one to strengthen weak regional economic structures. So this study focuses on the new industrial development path based on regional policy through a case study on the photonics industry's growth in Gwangju, Korea. Partly comparing it with the Capital region of Korea, this study aims to identify the initial processes of regional path creation through the establishment of the photonics industry as regional specialized industry in Gwangju. In-depth interviews with firms and R&D institutes related to the industry are mainly used. Also some quantitative data(patents, national

R&D projects, etc.) are used to analyze regional knowledge networks. It shows that the photonics industry's growth in Gwangju results from a combination of consistent regional policy, some growing photonics firms, and policy-supporting agglomeration conditions. Yet, it couldn't be concluded that regional development path has been already created and stabilized. Differences exist by the industry's subsectors. And the industry's growth in other regions, especially the Capital region, threatens that in Gwangju. New regional development path in Gwangju seems to be gradually formed, but further long-term studies are needed.

Keywords: Regional policy, regional strategic industry, regional development path, business network, knowledge network

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New growth pole for Chinese economy: Discussion on certain issues in building of Chengdu-Chongqing growth pole

When the strategy for the development of western regions is made, the Chinese government takes into consideration of the basic conditions in western China, including vast territory and unbalanced pole for economic development, and comes up with a principle of developing main regions first, listing the Chengdu-Chongqing, Guanzhong-Tianshui and Guangxi Beibu Gulf Economic Zones as key economic zones and new economic growth pole to drive and support the west development. In June 2007, Chengdu and Chongqing were honored as the experimental zone for urban-rural integration, and lately, Chengdu-Chongqing Economic Zone was put into the state-level development schedule. Undertaking the important strategic task in the reform and development of western regions, Chengdu-Chongqing Economic Zone is regarded as a key region in strategic layout in west China. Lying in Sichuan Basin, Chengdu-Chongqing Economic Zone adjoins Shaanxi and Gansu to the north, Yunnan and Guizhou to the south, Tibet to the west and Hunan and Hubei to the east. Eastwards, Chengdu-Chongqing Economic Zone makes connection to the Big Economic Zone in Wuhan and Yangtze River Delta Economic Zone through Yangtze River; southwards, it makes connection to the Pearl River Delta Economic Zone, Guangxi Beigu Gulf Economic Zone and accordingly to the southeast Asian countries and south Asian countries over Yunnan, Guizhou, Guangxi and Guangdong provinces; northwards, it is led to Xinjiang and central Asian Countries via Longhai-Lanxin Economic Belt; and westwards, it is an entrance to Tibet. Therefore, Chengdu-Chongqing Economic Zone is a center where the eastern China connects with western China, and the southern China and northern China joint, posing an important strategic position. Chengdu-Chongqing Economic Zone is an inland core zone relatively developed in economics, politics, society and culture in ages. Through years' development, in particular the development in the periods of Anti-Japanese War, Three Line Construction, reform and open-up and west regions development, tremendous change has been made in Chengdu-Chongqing region. By now, Chengdu-Chongqing region becomes an economic zone harboring dense population and many cities, and having sound transportation and vigorous capacity for economic development. In the region, the clean energy industry, heavy equipment manufacturing, hi-tech industry, science, defense science and technology industry and agricultural product processing industry are now playing a vital role in China; and an ecological barrier for the upper reach of Yangtze River has been formed. Hopefully, Chengdu-Chongqing Economic Zone would turn into the greatest new economic growth pole in China, following the Yangtze River Delta Economic Zone, the Pearl River Delta Economic Zone and the Jing-jin-yi Economic Zone. Position of Chengdu-Chongqing Growth Pole: six bases, one barrier and a new growth pole in China.

Keywords: Chinese economy, new growth pole, Chengdu-Chongqing

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Conventions and value chain development in a Norwegian: Spanish seafood trade

This paper develops a theoretical model that discusses how international trade in seafood (focusing the salted fish trade between Norway and Spain) can be viewed in the context of specific food production conventions, value chains and various forms of business organization. A discussion of the implications for local development and policy, and especially for the creation of more value added activity in resource peripheries in Norway, is a further aim of the paper.

Keywords: Conventions, value chains, production regions

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Reshaping economic geography of China: "Four Little Dragons" and a new round of China's western development

When people are still convinced that the Chinese economy are mainly concentrated on the Eastern China, the reshaping of China's economic geography is evolving silently. China's economic geography is

forming three tiers. The first tier is the eastern coastal regions including the Pearl River Delta, the Yangtze River Delta, and Beijing-Tianjin-Hebei economic zone. Over the past 30 years, these regions that have gone through the process of rapid industrialization and urbanization are three main engines of China's fast economic growth.

The second tier is "Seven Little Dragons" in Central China and Western China including Anhui, Hunan, Hubei, Sichuan, Chongqing, Inner Mongolia, and Guangxi that are leading China's economic growth as the industries and the industrial chains are transferring to Inland China. It can be expected that in the next five years, "Seven Little Dragons" will have the highest economic growth rate in China. Among them, "The Four Little Dragons of the West" (Sichuan, Chongqing, Inner Mongolia, Guangxi) are particularly remarkable. During the "11th Five-Year Plan" period, the average annual growth rate of "The Four Little Dragons" is 19.47%, compared with 16.49% of the whole country, 15.49% of the East (excluding the Northeast China). The fundamental reason why "The Seven Little Dragons" is becoming the leader of China's economic growth in the next five years is the law of the industrial transfers. At the same time, the trend is also closely linked to the attraction and driving by the policy for the rise of Central China and the policy for a new Round of the Western Development introduced by the Central Government in recent years. The third tier is the "Eight Little Tigers" including Liaoning, Jiling, Heilongjiang in Northeast China and Henan, Jiangxi, Shaanxi, Shanxi, Xinjiang in Midwestern China. The "Eight Little Tigers" are developing among the economic take-off phase. However, that "Seven Little Dragons" in Central China and Western China are leading China's economy is only from the perspective of absolute economic growth rate. In terms of economic volume and level, Eastern China is still the main force of China's comprehensive national strength and the propeller of China's modernization process. While "Seven Little Dragons" are leading China's economic growth, in Eastern China, the industrial structure and economic development mode are being greatly improved, the transportation is advancing into the era of high-speed railway, and the urbanization level is significantly increasing. For China, "Twelve Five-Year Plan Period" and the next 10 years is the key period to build a moderately prosperous society. In order to be able to achieve the role of "Little Dragons", the West need accelerated developments in many fields including transit network construction, industrial development (including both carrying on industrial transfer and developing emerging strategic industries), opening-up (especially the westward opening-up), resource development and local harness, and post-Wenchuan Earthquake reconstruction. In particular, the West need actively promote the policies "beneficial directly to the people's livelihood" so that people in the West can get the real benefits during this period.

Keywords: Reshaping economic geography of China, Western development, Four Little Dragons

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The impacts of the 2008 global economic crisis on regional development in China

The 2008 global economic crisis has had profound impacts on the development of many countries in the world, and yet such impacts are far from an end although two years have passed since the crisis broke out. At present, much attention from both the academic and the media has been paid to the impacts at country level. For a large country with diversified regional economic dynamics and different regional development levels like China, however, a country-level analysis is insufficient for learning what is happening with the crisis. In addition, China is widely applauded for its eye-catching performance in coping with the crisis, and the so-called China Model (i.e. a strong government, in contrast with the neoliberalism model) has been argued by many observers to be a key to understanding China's performance in the crisis. This paper will review the countermeasures adopted by the Chinese government in coping with the crisis, and then try to analysis the impacts of such countermeasures on regional development in China. It will also try to understand the far-reaching implications of those countermeasures for China's future growth.

Keywords: Global financial crisis, China, regional development

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Collective efficiency and external knowledge search

External knowledge is becoming more and more important for firms, and external knowledge search is crucial to innovation and competition of firms. Clustering contributes a lot to internal knowledge spillover and firms' learning through "local buzz", but it is unknown whether clustering will contribute to external knowledge search of firms. This paper finds out that a strong positive correlation exists between collective efficiency of industrial clusters and external knowledge search of clustered firms. Specifically, more specialized labors, more public service and more competitions in clusters will contribute more to external knowledge search of clustered firms, while excessive embeddedness into local network may negatively affect external knowledge search of firms (both in depth and scope). And some policy implications are proposed.

Keywords: Industrial cluster, collective efficiency, external knowledge search

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Presenting the possibility of Lorestan province due to planning the tourism

Tourism industry is one of the most important phenomena in the present century. This industry besides the economic factors is counted the main cause of advancement in society and cultural purpose and undone bteolly, one of the most important effects is the unity of human societies via cultural exchanges. Country of Iran, that was under consideration of tourist from along time ago , have the note worthy talent for developing these industry. But it should admit that, among the cities of Iran, Lorestan have special Locality and its rare facilities cause to distinguish it from this province in the center of center of policy making in the future.

Specially, its feathers as the cradle of civilization of Iran with having essential part of society-culture cause to being discussed, not only in Iran, but also in a world-wide scale. Never the less , despite of the suitable feathers that is in Iran and specially in this province for absorbing the tourism with a little study we can understand that the number of tourism and it's exchange income result from it, is so meager and never fit to our national and cultural talents. Therefore, this study is start to review this problem at province Lore Stan, and present the solutions due to absorb the tourism according to the culture and valuation of human. In, LoreStan, for the reason of having 22 registered historical work, and hundreds of historical work, pertaining to the various times that some of them are well-known by unesco as important work of human , it can have a lot of income from tourism part every year. That this purpose surely, will achieving with long-term planning and sub structural activities in fields of establishing of international residences, hotels, and restaurants, developing airport and repairing and developing the roads and so on.

Keywords: Ecotourism, an stable expansion, Kharai domes, Marbarre, Caesar, tourism planning

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Emphasizes on the role and the effect of the progress of tourism goals in Malaysia and Iran

In today's world which is the transition period from traditional life to mechanized life, we see remarkable changes and developments in every aspect of human life such as social, economic, cultural and etc. Information technology and technological revolution by facilitating the works cause the people to have more leisure time, regardless of troubles and every day's problems and with no doubt everyone by considering the potentials of his life and studying his environment, plans to use his leisure time opportunities. Nowadays that which aid humankind in decision making , is the tourism industry. The industry which is the second gainful and moneymaker industry after petroleum industry, and it has a significant impact on the welfare and economic development of the all of the countries (developed and developing countries) and encompasses an extensive part of the gross national income of the countries. Develop and extension of the tourism industry and the great profitability produced by means of it , cause the economic development and production of employment and many people can be employed in different fields of the tourism such as education , sevicees , marketing and etc. Therefore, by considering the increasing tourism industry and specially, significant economic profit of this industry. many countries by considering the available potentials and capacities in the country , try to maximize the use of this industry and settle this goal in their important and main programs in their major ecomic polices. However , what which is considerable is to design of models , techniques , and plans which is proposed in order to present tourism attractions and attraction of tourist. Further, our country regarding to the many capabilities and opportunities in the tourism industry and attraction of tourist such as historical , cultural , social , natural etc. could have a prominent role in this field. This paper while concerning the concept and the nature of the tourism and its importance , emphasizes on the role and the effect of the planning on the progress of tourism goals in Malaysia and ran which their findings show that iran considering numerous capabilities in the tourism industry should take the best profit of the tourism development and specially economic, social and cultural effects of the stable economic development.

Keywords: Tourism , stable development , economic development , planning (Iran, Malaysia)

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The rural tourism targets, role and effect of village municipality in rural sustainable development

In the past decade, tourism industry was of industries which faced great evolutions in the world. Impact of this industry on raising the employment rate in countries, increasing foreign exchange earnings, domestic industry growth, extended international cooperation and many other economic boosting factors has originated new speculations in the world to change its boundaries and tourism industry has found an important place in public policy.

The rate of evolution in this industry and escalation of its role in income of countries in the world is to the extent that even many economists name it as the industry of the twenty-first century. (Kazemi,1380,p. 49).Considering the importance of tourism in improvement of rural economic infrastructures, and due to the formation of local institutions in rural areas and allocation of authority to rural municipality in order to develop tourism infrastructures of the country, a number of 385 villages having the highest tourism attractions in the country have been identified and the aforesaid villages have been considered as the tourism developing targets and developing engine to mobilize other rural areas in field of promoting rural tourism industry in the country as a for operation of all the pertinent organizations and institutions.

While this article attempts to introduce rural tourism targets, how rural municipalities were formed, the points and their weaknesses in the development of rural tourism have also been analyzed. Additionally, to express the performance of rural municipalities that have been established, Keirishki village has been studied as case study.

Keywords: Rural tourism, tourism development, rural municipality, the tourism target villages, Keirishki

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Logistics of the territory and strategies of Semnan's stable development with SWOT technique

Logistics of the territory means best exploitation of the facilities for the sake of the improvement of concrete & abstract conditions through a special geographical area. The advantages of economical, social & natural situations arrange thanks to attention to the logistics of the territory the main aim of this task is to create a logical relation between population distribution & doing some activities through territory according to regions spatial characteristics. Some limitations like basis sources, ecological conditions, the rate of consumption of increasers & financial resources are as an example which brings up the importance of the logistics problem & presents some solutions. The logistic of the territory can have various contents for different economical, social, population, ecological conditions through different provinces in the country. Semnan province has a special position by the reason of having 25% of the country's protective region, 5 various climates, a powerful vegetable & animal Genoa bank & store both in Iran & the world, placing in the center of Iran (strategic situation). The main question is that according to economical, social & what solutions can be described to pay attention to the environment & logistics of the territory subject? In order to access to this question the qualitative research method is used in which in order to take the viewpoint of statistical community (experts & employed specialists on the field of planning units in Semnan province) specialized groups was used in the shape of focal groups. It is hoped that with a general reference to logistics of the territory, stable development contents be able to presents some solutions by the examination & study the abilities & existed events of Semnan province & use of SWOT technique which is appropriate with pounce's conditions till the accomplishment of stable development program & optimizing environmental, industrial & social conditions be continued quickly.

Keywords: Territory, strategies, Semnan, stable development, SWOT technique

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The hierarchy evolution process model of Central Place Theory

As the keystone of the theoretical geography theory, the Central Place Theory after repeated changes of many researchers has become more perfect. Unfortunately, the evolution process model has not been established which cause has not yet formed a complete theory. In addition, because of the temporal parameters not available resulting in its other spatial structure model can not achieve docking with the Central Place Theory, which will not be built up a complete theoretical system of regional spatial structure. In this research, at first we distinguish between the generation and evolution mechanism of different levels central places, use the Christler's field investigation statistics of the southern Germany to conduct a computer simulation. The evolution process model constructed in this study we merge the seven levels places generation and evolution into the five evolutionary stages: germination stage, forming stage, complete stage, mature stage and elevated stage. In the computer simulation process, we not only successfully simulate the Central Place Theory with the homogeneous plain background to be the conditions, but also find the other interesting scientific phenomena: at first, the functional structure of Central Place and the scale structure of Central Place are obviously different structures. Not only with the same level center of population size can be very different, and even the low-level center of the population over the high-level center of population. The simulation results are more in line with the reality. Secondly, in the hexagonal area, as the central location first appeared in the central location will eventually form the high centrality centers concentration areas which is the reality of urban agglomeration. The two interesting phenomena reveal a more profound one that there are not only the balance central function structure but also the uneven central scale structure under the homogeneous plain background assumption. The

computer simulation of this research is filled the defect of Central Place Theory, revealed the transformation process of the balanced spatial structure to the unbalanced spatial structure.

Keywords: Keystone of geography; hierarchy of central place theory; evolution process model; functional structure; scale structure

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The study on compilation of physical multi-regional input-output table in three regions of Gansu province: An approach to regional sustainable development analysis

Input-output analysis is one of the modeling approaches developed for understanding regional economies. A major advantage of the input-output approach is to analyze regional impacts of external impulses. This stimulated research in the use of multi-regional input-output (MRIO) models. While MRIO models have been applied to regional economics since the 1950's, it has become the research trend of current regional economics to apply MRIO to model to illustrate the spatial linkage characteristics and dynamic transformation rules. The unique feature of a MRIO is that it allows the tracing of the production of a "typical product" of economic sectors, quantifying the contributions to the value of the product from different economic sectors in various regions represented in the model. While the trade relations between two regions may be balanced in monetary terms, they may at the same time be characterized by a substantial inequality with regard to the flows of natural resources. The applications of MRIO to environmental problems have only emerged recently. A multi-regional environmental input-output model has been applied to quantify embodied material flows. They also combined physical accounting and economic-environmental modeling. Physical input-output tables (PIOTs) provide a comprehensive description of anthropogenic material flows following the material balance principle, with the economic system depicted as being embedded in the larger natural system. Material flow analysis (MFA) and accounting is powerful tool for quantifying aggregated resource inputs and outputs of economic systems. PIOT can be regarded as an integration of input-output analysis and MFA and are a necessary next step in the development of material flow accounts, in order to widen their applicability for policy-oriented analyses. In the last few years some studies have been presented, which link material flow accounting and input-output analysis (based on monetary input-output tables) for the calculation of indirect material flows through intermediate production. However, physical input-output analysis has so far been applied only for selected materials in one country study. MRIO tables in China have been estimated in some research projects. Recently, MRIO model has been compiled and used in a provincial level in China. But it stills has no report about physical multi-regional input-output (PMRIO) in such level. In this study, we try to compile physical multi-regional input-output table in three regions of Gansu Provinces, Northwest China. The key techniques include, calculating Inter-regional commodity flows through gravitation model, and updating IO coefficients by CE method which can minimize the information loss. Based on MFA, the PMRIO table can be compiled for specific materials, distinguishing primary raw materials. The authors wish that the table can be used to calculate indirect material requirements of interregional traded products by quantifying direct and indirect material and energy inputs required to produce the traded good between the three regions in Physical terms.

Keywords: Multi-regional input-output (MRIO) models, Physical I-O table(PIOT), MFA

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Mapping and measuring the innovation efficacy of places

The 'Absorptive Capacity' of countries is of utmost importance for the success of government policy interventions. A government policy to increase foreign investment will yield long-term benefits only if there were knowledge spillovers into the local economy. This particularly important for developing countries where the extent to which a country is exposed to foreign technologies and its ability to absorb and adapt those technologies have huge impact on their ability to leverage on global trade and investment (World Bank, 2008). In fact, a World Bank report concludes "the bulk of technological progress in developing countries has been achieved through the absorption and adaptation of pre-existing and new-to-the-market or new-to-the-firm technologies, rather than the invention of entirely new technologies"(World Bank, 2008). New value may be created not merely by tapping domestic knowledge base, but also by accessing knowledge overseas, or attracting its bearers into the local economy, or through the wider diffusion of this knowledge (e.g. the use of a PC) in an economy. This is evident in the fact that in any political economy, business entity or organisation, most solutions are regularly sourced from external sources to complement or augment internal capacities (Cohen & Levinthal, 1990; Zahra and George, 2002). Hence, the innovation environment in which firms, universities, research centres, hospitals and other knowledge-based organisations operate has a huge impact on their ability to add value and generate new solutions (Bosch et al (1999; Giuliani, 2005). We develop an Innovation Efficacy Index (IEI) for measuring the potential and realized capacity of places to access, anchor, diffuse, create and exploit new learning. Drawing on applied work done in the UK, UAE, and on 21 other countries we extend our analysis to over 70 countries outlining their strengths and weaknesses along the following dimensions: Capacity for Accessing knowledge, Capacity for Anchoring knowledge, Capacity for Diffusing knowledge, Capacity for

Creating knowledge, Capacity for Exploiting knowledge. ‘Accessing Capacity’ is understood as the ability to connect and link to international networks of knowledge and innovation. ‘Anchoring Capacity’ is the ability to identify and domesticate external knowledge sources. This includes, for example, people, institutions, and firms, while ‘Diffusion Capacity’ is the collective ability of a place to adapt and assimilate new innovations, practices and technologies and spread them in the economy. Finally the two classical capacities that traditionally captured the attention of innovation policymakers, namely the knowledge ‘Creation Capacity’ which is understood as the ability to generate and bring in new knowledge to the world, and the ‘exploitation capacity’ which is understood as the ability to put into use and exploit new knowledge for social and commercial purposes. The IEI allows policymakers to benefit from a measurement tool that takes ‘problem-solving’ and ‘value-creation’ through learning, adoption and adaptation as its core framework of analysis and measurement rather the capacity to innovate per se. An innovation system can then be understood as one that delivers the five key problem-solving and value creation functions (access, anchor, diffuse, create and exploit) and innovation policy can be structured around these five key functions of any innovation system. The IEI maps and measures the performance of economies in terms of their absorptive capacity and subsequently their efficacy in translating their learning into new products and service of economies is crucial for the spread of knowledge and ideas through and across multinational enterprises as well as foreign investment and trade.

Keywords:

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‘Trusting the numbers’: Mineral prospecting, raising finance and the governance of knowledge

Mineral prospecting and raising finance for ‘junior’ mining firms has historically been regarded a speculative activity. The indeterminacy of mineral claims has in the past been assessed by investors with reference to regional analogues, geophysical surveys, drilling and assay results. With advances in data processing, these techniques have given way towards a new emphasis on the geostatistical modelling of basic principles. For the regulators of securities markets upon which ‘junior’ mining companies seek to raise capital, a perennial problem has been handling the indeterminacy of mineral claims. This paper explores the ways in which a series of particular scandals associated with the activities of Canadian mining promoters revealed wider issues relating the fragility of the system of metrology and the provisional nature of the knowledge claims that underpinned the financing of junior mining firms. Through an analysis of the testimonies submitted to public enquiries that followed these scandals, the paper maps out the re-configuration of the system of public warrant by which scientific knowledge is translated into making a market in speculative share issues. This has entailed: the standardisation of definitions, techniques and interpretative practices; the embodiment of trust in accredited professionals; and institution building. The paper reflects on these processes, their geographies and the insights they offer on the relations between the sites of discovery, theatres of persuasion and the administrative agencies of the state. In so doing, it argues more broadly for further research on the genealogy of the evaluative principles (economies of worth) that underpin the value economic agents place on particular types of numbers, which in turn serve to animate the geography of speculative flows of capital.

Keywords: Finance, mining, venture capital, regulation, economic governance

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Clouds in boxes: The infrastructure of the new internet

This research sketches the emerging economic geography of the new Internet. The Internet has evolved during the past few years, adding new infrastructural components that largely replace the familiar hierarchical structure. In the new Internet, both large content providers and consumers play important roles. The new ecosystem reflects the impact of user-generated information (dubbed Web 2.0) and the ability to utilize the “collective intelligence” of users. This paper explores the recent growth of two increasingly important types of infrastructure: data centers (used for cloud computing and other uses) and Internet exchange points (IXPs). Networks of data centers both for internal organizational data storage and for cloud computing are growing in significance. The rise of content (including video) also has given increased importance to the intermediate hubs of the Internet, the IXPs. Neoliberalism is seen as local governments work to influence the location of this investment in new infrastructure, particularly data centers and IXPs. Many places, including rural areas and small towns, try to attract data centers for tax revenue and employment. Large cities facilitate the establishment of IXPs as advanced technology services to center the city within the global urban network. In the end, the Internet, like other new technologies, sees its demand and supply centered primarily in urban agglomerations but it also faces centrifugal forces to disperse and seek lower costs for data centers.

Keywords: Internet, hubs, infrastructure, neoliberalism, global urban network

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The explanatory puzzle in the interdisciplinary literature of spatial industrial clustering

The widespread interest in spatial industrial clustering has given rise to a range of approaches aiming at explaining clusters in a variety of disciplines. The notion itself has been found fuzzy, however, and there has been very little agreement on explanations. Nevertheless, aspirations have been expressed that proponents of the different approaches should interact and feed into each others' thinking. The question is, how? Guidelines hardly exist. This paper explores some of the fundamentals of this interdisciplinary and intertheoretic puzzle. We will draw conclusions based on a reinterpretation and reconstruction of seminal explanations of spatial industrial clustering, namely those of Paul Krugman, Michael Porter, Annalee Saxenian, and Peter Maskell jointly with Anders Malmberg. We choose to analyze these theories rather than others because of their persistent popularity, and our familiarity with them. The core of our argument, however, relates less to the particular cases analyzed and more to the question of how to deal with a situation where there is a variety of theories explaining a particular phenomenon such as spatial industrial clustering. This takes us to the heart of the difficult issues related to interdisciplinarity in the social sciences. Interdisciplinarity is widely promoted but it tends to be practiced in a rather intuitive manner. Our analysis sheds light on interdisciplinarity in the context of assessing the relationships between theories that deal with the same research object. Many interdisciplinary research areas face the situation that there exist many alternative theories of the same phenomenon, but it is not clear how theories relate and there are no clear rules on how to deal with this plurality. These appear to be extremely complex questions. The questions we ask are the following: First, do the explanations have the same target and ask the same questions about it? Second, are the explanations compatible/complementary or incompatible/rival? Third, how to make progress? We propose the contrastive approach adopted from the philosophy of science literature as a critical starting point in an investigation of the complex relations between explanations in intertheoretic settings. The contrastive approach helps to formulate the explanations in precise terms, and thereby is helpful in formulating answers to the questions posed.

Keywords: Cluster, explanation, interdisciplinarity

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Comparing knowledge bases: On the organisation and geography of knowledge flows in the regional innovation system of Scania, southern Sweden

This paper deals with knowledge flows and collaboration between firms in the regional innovation system of southern Sweden. It focuses on industries which draw on different types of knowledge bases. The aim is to analyse how the functional and spatial organisation of knowledge interdependencies among firms and other actors vary between different types of industries which are part of the same regional innovation system. We argue that knowledge sourcing and exchange in geographical proximity is especially important for industries that rely on a synthetic or symbolic knowledge base, since the interpretation of the knowledge they deal with tend to differ between places. This is less the case for industries drawing on an analytical knowledge base, which rely more on scientific knowledge that is codified, abstract and universal, and therefore less sensitive to geographical distance. Thus, geographic clustering of firms in analytical industries builds on other rationale than the need of proximity for knowledge sourcing and exchange. To analyse these assumptions empirically, we draw on data from three case studies of firm clusters in the region of southern Sweden: (1) the life science cluster represents an analytical (science) based industry, (2) the food cluster includes mainly synthetic (engineering) based industries, and (3) the moving media cluster is considered as symbolic (artistic) based. Knowledge sourcing and knowledge exchange in each of the cases are explored and compared using social network analysis in association with a dataset gathered through interviews with firm representatives.

Keywords: Knowledge base, regional innovation system, network analysis, Sweden

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Creating space for creative industries: Planning creativity in Ningbo, China

Academics and urban planners in China refer to the creative industries as engines for upgrading urban appearance, improving urban functions and accelerating economic growth and sustainable development. Cities such as Ningbo have adopted an approach to the development of creative clusters emphasising the formal designation of such spaces within an urban planning framework. While this has resulted in a proliferation of specially designated creative zones linked to local business and property developments, questions have been raised about whether such places actually produce genuine innovation and creative output. This paper will identify and map the planned and spontaneous emergence of creative clusters in and around Ningbo with a particular focus on the visual arts and fashion design. Key individual and institutional actors involved with the emergence of these creative clusters were interviewed to investigate the formal and informal institutional frameworks within which they networked and interacted. The findings highlight key characteristics of the creative communities, and the interactions and interrelationships among key actors which foster creativity and

innovation. The analysis reveals a tension between the creative ambitions of artists and fashion designers, and the socio-economic development objectives of urban planning elites. Creative clusters in Ningbo are emerging as fashionable symbols of consumption and city branding with at best only a modest influence on genuine creativity and innovation. The paper proposes key elements for the development of truly creative industries in Ningbo.

Keywords: China, creative industries, urban transition

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Institutional disconnections and industrial cluster policies in Japan

Japanese industrial location policies have experienced an important turning point since the early 2000s. The Industrial Relocation Promotion Law and the Technopolis Act have been repealed. Instead of such local supporting policies which led to the decentralization of factories, independence of the regional economy and enhancement of global competitiveness have been thought of as important policy. The purpose of this paper is to examine recent confusion of industrial cluster policies in Japan and consider the possibilities of overcoming institutional lock-in. Under a knowledge-based economy, regional innovation policies, such as the Industrial Cluster Project led by Ministry of Economy, Trade and Industry (METI) and the Knowledge Cluster Initiative led by Ministry of Education, Culture, Sports, Science and Technology (MEXT), have been treated as strategic regional policies. Nine Regional Bureaus of METI have been promoting 20 Industrial Cluster Projects, such as Kansai Bio Cluster Project and Kyushu Silicon Cluster Project, since 2001. On the other hand, MEXT has adopted and supported 18 Knowledge Cluster Projects, such as Biomedical Cluster Kansai and Silicon Sea Belt Fukuoka Project, since 2002. Both METI and MEXT cluster projects have not been enacted but continued under the previous LDP-led Government in order to promote new business creation through supporting linkages between industry, university and public research institutions. Collaboration with METI and MEXT has also been promoted for the implementation of seamless policy from creation of seeds to application and commercialization. The third cluster policy has started under the Act on Formation and Development of Regional Industrial Clusters through Promotion of Establishment of New Business Facilities, etc. since 2007. This bottom up cluster policy implemented by METI aims at revitalizing and developing existing industrial agglomerations. About 180 basic plans from 47 prefectures and related municipalities have been approved by METI in a short period of time. A historic change of government took place in 2009 and the institutional framework has been drastically transformed. The Government Revitalization Unit began its budget screening and almost all projects of Industrial and Knowledge Clusters will be reduced or ended because of unclear effects on job creation and regional vitalization. Regarding to many Regional Industrial Clusters, it is desirable to promote upgrading of regional resource-based industries by local governments. On the other hand, the new national government will provide selective support to the limited regions that have the potential to develop as global competitiveness clusters.

Keywords: Industrial cluster policies, regional innovation, institutional lock-in, change of government, Japan

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Functional versus sectoral specializations in U.S. megaregions

Megaregions are networks of metropolitan centers and their areas of influence, spatially and functionally linked through social, economic, demographic, environmental, and cultural ties (Ross and Woo, 2009). As a new geographic unit of social and economic organization, megaregions provide a new scale for planning, economic and infrastructure development. 10 such megaregions in the U.S. are expected to host the vast majority of the US' future growth (Ross et al., 2009). Yet, little is known about the functioning of such megaregions, let alone the synergies between metro areas constituting such megaregions. It has been hypothesized that megaregions may be sufficiently large and diverse enough to contain all the kinds of spaces that evince distinct agglomeration economies. As Sassen (2007) posits, a megaregion can then be seen as a scale that can benefit from the fact that our complex economies need diverse types of agglomeration economies and geographic settings. This provides a major rationale for the continuing dispersal of firm activities to locations providing them with the right balance between agglomeration economies and agglomeration diseconomies. This paper explores the potential of this assumption by examining whether the functional division of labour between different areas in a megaregion has been increasing so as to cater to the variety of places and types of agglomeration economies firms demand. Both functional (occupation-based) and sectoral (industry-based) analyses of complementarities within megaregions are presented and compared. The paper also provides comparisons across megaregions. The results will help examine whether megaregions, characterized by a more

profound division of labour between its constituent areas, have potential to perform better as economic engines of the country.

Keywords: Megaregion, functional specialization, sectoral specialization;

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Connecting peripheral regions: Redistributive effects of infrastructure development

The complex relationship between transport infrastructure investment and spatial economic development has been debated ever since the first roads, railways and canals were built. Much research effort has been put in linking the level of infrastructure investment to economic development and growth, i.e. in estimating generative effects of infrastructure. Yet, the impact of new infrastructure on economic development is still far from clear and even the direction of causality is under discussion. Recently, interest in the spatial distribution of this economic development has risen as evidence suggests that the impact of transport infrastructure development is highly localized leading to calls for analyses of new infrastructure impacts on more geographically detailed spatial scales. It could well be that transport infrastructure investment leads to economic growth in one place at the expense of a decline in another place that has become relatively less well accessible. There is little agreement on whether decentralization or polarization of economic development will take place as a result of new infrastructure and much depends on the interplay of transportation costs and economies of scale. This paper provides an GIS-based analysis of local accessibility impacts, and links accessibility to the intra-regional distribution of economic development. Several key assumptions addressing centre-periphery redistributive effects and the magnitude of redistributive effects are explored. Empirical evidence for exploring these assumptions was gathered for one particular case study region. This case is the construction of the 6km long tunnel underneath the Westerschelde estuary-mouth which, since it was opened in 2003, links the central part of the province of Zeeland in the Southwest of the Netherlands with the more peripheral part of Zeeland called Zeeuws-Vlaanderen, which borders Flanders. It provided the first direct road connection between Zeeuws-Vlaanderen and the rest of the Netherlands, not taking the considerable detour through Belgium into account. For several reasons this case is of wider interest, which includes the rather strong changes in accessibility and centrality the opening and routing of the tunnel has caused, in particular since it replaced ferries that provided connections at locations quite distant from the tunnel route. The latter implies that changes in accessibility are also strongly connected to changes in reliability, which is often considered to be of increasing importance. Also, the isolated geographic location of the case study region due to its location in a river delta and as a border region limits the influence of external developments, while at the same time the region is located in the economic core of Europe.

Keywords: Infrastructure development, accessibility, spatial dynamics, centre-periphery, Netherlands

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When spatial proximity in clusters is not enough for competitive learning: The segmentation of information flows from multinational corporations among regions

The central object of the study is the mould industry in the Mexican automotive parts and electrodomestic products cluster in the City of Queretaro. The objective of the research is to identify the competitive level of the local mold industry and the local and external-international flows of information that feed local producers learning. The mold industry is a critical input for high scale manufacturing firms like those in the automotive sector. The development of the mould industry in Mexico has been very weak, and this is paradoxical since for the last 50 years large international automotive industries as well as large national electrodomestic companies have formed important clusters across the country. The automotive clusters formed in Mexico and in some cases as in Queretaro, coincide with other large scale producers that consume moulds as a critical input. However, the formation of clusters, and a specialized local demand for moulds has not been translated into the formation of a dynamic group of local producers of this input. Quite the contrary, mould imports run high and in national terms Mexico is one of the three major importers of moulds in the world. In order to find possible causes, we conducted qualitative interviews in 28 mold producers in Queretaro and in five leading corporations consuming molds in the cluster. The research was complemented with interviews in the automotive clusters of Detroit-Windsor and in the mould industry cluster of Marinha Grande, Portugal. We conclude that from the stand point of the Mexican region under study, most of the information comes from local sources and that the external information flows, via large Mexican corporations and multinational companies, are segmented in a way that the demand for simpler / low quality moulds is directed to local mould producer while complex / large / high quality moulds are bought in other locations outside Mexico. The segmentations of flows plus the low learning capacity of local producers create the conditions for a reproduction of a low

dynamism component of the cluster living within a dynamic industrial cluster. Some policy implications are outlined in order to overcome the limits of external flows of information.

Keywords: Mexico, transnational companies, localized learning

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Dynamic capabilities in trade unions? The challenge of attracting temporary staff to German Unions before and in the economic crisis

In Germany the economic recession led to 300,000 temporary workers being made redundant. How have the previously implemented efforts of the Metal worker's union IG Metall for this severely hit group of union members been changed due to the crisis? This paper points out the capabilities of trade union organizations to adapt its routines of recruiting and representing temporary staff to the altered setting brought about by the present crisis. Thus, the paper contributes to the debate concerning 'organizational learning in the midst of crises'. It was not until the end of the 1990s that the union began recruiting temporary workers and representing the special interests of this group. Due to the very specific working conditions of temps, this new endeavor required the development of a dynamic capability. Through this, at various union sites, efforts were made to improve the working conditions of the temps. In the course of the crisis, the previously-developed dynamic capability was redirected towards the new goal of preventing the loss of jobs of the temps. In order to provide an explanation for the reaction to the crisis on the part of the union representative sites, a geographical perspective was applied which places internal organizational factors and external organizational factors at the local, regional and national spatial scale in reference to one another. These factors influence the path of development of dynamic capabilities; the factors vary to a considerable degree according to the location and they experience change in the course of the crisis at different intensities. Through the application of interviews with union secretaries it was shown that in most cases they neglected to develop crisis-specific routines. At some of the union sites, however, routines were altered so as to fit the changes caused by the crisis, and these alterations proved to be crisis-resistant. In only a few cases were crisis-specific routines developed. As not all regions were hit by the crisis, at some sites the existing routines could be utilized without any further development.

Keywords: Dynamic capabilities, organizational learning, crisis, trade unions, temporary staff

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Internationalization of R&D activities of Austrian firms: Strategic drivers for spatial organization

R&D activities of firms are increasingly internationally organized with a growing number of new locations in emerging economies. External knowledge sourcing plays a significant role in firm's business strategies. The aim of this paper is to link firms' international R&D-strategies to the spatial organization of R&D activities. Thereby the paper contributes to a better understanding of the driving forces for specific R&D locations. The small open economy of Austria serves as a case in point to show the internationalization of knowledge sourcing activities for local development. The main data source for this paper is a firm survey in Austria carried out in spring 2010. The standardized survey asked about market conditions, current and future R&D activities (including locations), motives for and types of activities performed as well as perceived implications of those activities.. The sample is based on innovative enterprises that applied for or received financial innovation support from the Austrian Research Promotion Agency (FFG). The realized sample is 410 out of 5,702 approached firms (hence the response rate is 7%). The findings show a clear geographic concentration of foreign R&D activities of Austrian firms. However, this general distance decay function is 'distorted' by regions' evolutionary trajectories and their peculiarities such as cultural and cognitive proximity and by the scope of R&D envisaged by the firm. The single most important location for R&D activities of Austrian firms is Germany as a large neighboring economy. In general, most activities are focused on the European Research Area. But also remote locations such as the US and China play a significant role, especially when it comes to setting up R&D-subsidiaries abroad. Plans for future activities show only little change in this respect. Specific firm strategies drive these spatial patterns: The analysis reveals for example that knowledge exploiting strategies are more common for activities in Asian and Eastern European countries, whereas knowledge gaining and learning strategies drive the establishment of activities in Western Europe and North America. Moreover, small and medium sized firms tend to internationalize via international cooperation rather than via the establishment of own subsidiaries abroad. The paper shows the limited scope of the R&D globalization: Still, the bulk of activities is restricted to few (favorable) locations. Having said this, the breadth of possible locations is surprisingly wide. Moreover, it shows (still) a relatively clear international division of labor within R&D even though there are sign of an increasingly 'blurred' pattern.

Keywords: R&D internationalization, firm strategies, spatial organization, Austria

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Spatial disparity under new monetary economics: Application of FCGE

With a growing concern about increasing inequality, the spatial dimensions of inequality have begun to attract considerable policy interests. In most emerging countries in the globalization era, the economy becomes more vulnerable and fluctuates by external shocks i.e., financial crisis. The negative impacts of the current global crisis originated from the financial sector of the US have spread to the real sectors of the emerging countries through their trade and banking systems. The economic slowdown of the shocks worsens spatial disparity in household incomes and economic activities through various channels and transmissions i.e., deprived funds and depressed investment. Also macro-economic (mainly monetary) and regulatory policies to mitigate the crisis shocks are rather distortionary which worsens the spatial disparities. The distortionary policies cause credit supply to decline through the interaction of economic agents, banks and firms, given imperfect information. This is a dynamic credit channel mechanism that is the key concept of New Monetary Economics theory distinct from the traditional monetary economics in focusing on credit rationing and asymmetric information. Since monetary policy works directly only on one part of the financial system, the banking sector through the inter-linkage of credit markets, investment level heavily depends on the role of banks (and firms) who issue loans. Thus, to understand the mechanism of credit constraints in an economy, the financial structure of suppliers and demanders of the loans should be explained. Risk aversion banks decide their supply of credit according to their asset value, franchise value, wealth and firms risks that are all affected by a dynamic interdependency of asymmetric information, risk and uncertainty. This paper is to evaluate the importance of the dynamic credit channel mechanism by comparing inequality results with and without the channel. It will also show how macro-economic and regulatory policies without understanding of the credit channel mechanism result in negative impacts on spatial disparity over the rural-urban household incomes of a typical emerging market economy as an expansion of the new monetary economics theory in socio-spatial aspects. A comprehensive Financial Computable General Equilibrium (FCGE) model simulated with and without the dynamic credit channel mechanism allows not only to evaluate the critical role of dynamic credit channel of the typical emerging market economy but also to measure the impacts on the relative income distribution of households in different spaces. In the FCGE model, first, I augment the set of equations to capture New Monetary Economics theory in the model. This involves some correction process on the existing equations in the FCGE model. Second, I incorporate franchise value effect to capture a dynamics of the behavior of the credit suppliers into the model. This is another channel that has been missed in previous studies. Finally, I discuss the problems associated with the spatial disparity and migration as well as income disparity affected by the crisis shock that distorts economic impacts of macroeconomic and regulatory policies, and by the main policy and regulations of central banks and governments throughout the emerging market economies: Monetary policy, Financial Sector Liberalization and Capital Adequacy Requirement.

Keywords: Credit channel, Financial Computable General Equilibrium, franchise value effect

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Regional policy for rebalancing regional economic disparities: A view from Kyushu, Japan

This paper aims to argue the role of regional policy for rebalancing regional economic disparities, taking an example of Kyushu economy in Japan. The Kyushu, located in the southwestern part of Japan, is one of eight regions in Japan. The region has a population of 13.3 million people, which account for 11% of Japan's total population. The gross regional product in FY2005 was about 400 billion U.S. dollars, 9% of Japan's gross domestic product(GDP). Of all the major regions of Japan, Kyushu lies closest to the Asian mainland, therefore, the region has relatively strong links with Asian nations, acting as Japan's gateway to east Asian countries. In terms of economy and industry, Kyushu makes a major contribution to Japanese food supply. As for the manufacturing, the region is well known for its electronics (i.e. IC production) and automobile manufacturing. Kyushu also has a thriving tourism industry in many localities blessed with hot springs. This paper explores some aspects of regional policy debates in Japan. In the mid 1980s, the Japanese Government launched the Techno-polis project. This project aimed to establish new high-tech businesses mostly in the non-metropolitan area in Japan. Twenty-six areas were selected as a techno-polis in the overall nation, and five in Kyushu. Among them, Kumamoto techno-polis became a successful case because large electronics companies built new plants and they have gradually established links with local suppliers. During the late 1980s to early 1990s, the Government introduced new regional economic policies such as recreational resorts and office sites development. The Japanese Government has been known for its strong policy guidance. The Government, therefore, primarily designed regional policies and local authorities were forced to compete in obtaining the central government's approval and subsidies. At the end of the 1990s, the central government started the Eco-town project, aiming to establish an environment-conscious town by the promotion of recycling of wastes of local districts. Twenty-six areas were approved as the eco-town in the nation, and three in Kyushu. Kitakyushu

is known as the most advanced case not only in resource recycling business but also in research and development. In the 2000s, the knowledge cluster projects have started. A knowledge cluster aims to set up a regional system for technological innovation, which is organized by local initiative around universities, other public research institutions and private companies. Eighteen areas were approved as the knowledge cluster in the nation, and two in Kyushu, i.e., the super LSI cluster in Fukuoka and the environmental business cluster in Kitakyushu. Compared to the Techno-polis project, the policy process in establishing Eco-town and the knowledge cluster is somewhat different. The central government guidance became weaker because each local authority firstly formulate its own plan based on the local uniqueness, and interfere by the central government became much smaller. In the paper reading, the authors will argue further aspects of regional policy debates in Japan.

Keywords: Regional policy, regional economy, Kyushu, Japan

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'Critical Juncture' that breaks the path to depend upon: The capitalist regulation and provision of public transportation

Regulation theory incorporates both invisible hand of market and visible hand of government to make it a powerful theoretical tool for analysing the way to sustain contemporary capitalist mode of production. There are many elements which are related to capitalist regulation; yet it has often been overlooked that transportation is an important element of it. No capital accumulation or social integration is possible without sufficient provision of transportation, which normally calls for positive government involvement to make heavy public investment possible. The post-war capitalism experienced two typical regimes of regulation: Fordism and neo-liberalism. Capitalism tends to develop along the beaten path of either of the regimes and depends upon the established structure until it inevitably crashes with a 'critical juncture' or rupture of an existing regulatory regime. The ruptures are often manifested in the movements, with various degree of radicalisation or violence, of transport users against poor provision of public transportation and disinterested government attitudes towards the problems that they face. Thus, the 'critical juncture' plays indispensable role in inducing the government institution into making decision on investing on public transportation or into breaking away from path-dependent policy attitude until then. This paper analyses the 'critical juncture' or rupture of regulation as the crucial moment for the government to engage in the breakthrough in the concept of transport policy. This paper then introduces two case studies of 'critical juncture' in Japan in 1970s to 80s, related to a commuter rail line radiating northward from Tokyo CBD and planning of the bullet train towards cities in northern Japan.

Keywords: Regulation theory, path-dependency, critical juncture, public transportation, Japan

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The resignation obliterated: The Japan Association of Economic Geographers and Toshio Nohara, a prominent critical economic geographer

Toshio Nohara, born in 1930, a prominent Japanese critical economic geographer and formerly a professor at a university in Nagoya, was once active in the Japan Association of Economic Geographers (JAEG) with strong academic tie with Polish economic geographers maintained. Along with his interest in the concepts of cooperative society, Nohara published in 1977 Japanese Capitalism and Regional Economy from the publisher that also published the Complete Collected Works of Marx and Engels in Japanese. Nohara also edited in 1975 jointly with another critical economic geographer The Regional Structure of Post-War Japanese Capitalism, to which Toshifumi Yada wrote the conceptual introduction. This book thereby served the first major stepping stone for Yada, the Japanese economic geography guru, to establish his faction within the economic geographers' circle in Japan. In spite of his own research agenda to formulate location theory based on Marxist economics set in this introduction, however, Yada soon made right turn as he attempted to establish his faction by inviting more conventional economic geographers and as he joined councils of the conservative national government. Right before Yada assumed the JAEG presidency, its constitution was amended under the initiative of Yada's adherent to strengthen his grip of the executive body. Right in time for the last meeting of the executive committee under the more democratic constitution held on 3 June 2000, Nohara gave the notice of resignation from the JAEG. This stigma was, however, deleted on 31 March 2010 from 'Economic Geography' entry of the Japanese version of Wikipedia by Harumichi Yamada, the host of the JAEG secretariat, with claim that no 'sources' given. One can hardly believe that the host of the JAEG secretariat was unaware of the resignation of this prominent member, the fact clearly recorded in the minute of the executive committee published in the official journal of the JAEG. This action of the host nevertheless testifies that the conversion of an institution of critical economic geography into that of neo-liberalism and conservatism is to the JAEG administration the felt shame that deserves to be obliterated from the public for good.

Keywords: Japan Association of Economic Geographers, Toshio Nohara, Toshifumi Yada, Marxism, economic geography

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An analysis of private vehicle ownership in Malaysia: The space, economic and environment implications

The purpose of this paper is to identify and analyze current trends in private vehicle ownership in Malaysia. Malaysia is a prosperous and a rapidly growing economy. For the past two decades private vehicle ownership has increased tremendously in this country which is partly due to the economic growth, rapid urban development, population growth and inadequate public transport availability and services. In 2009, Malaysia has a population of 28.3 million, 17.4 million private vehicle automobiles and 11.7 million registered drivers (Malaysia Department of Transport, 2010). Income, an economic indicator, is usually hypothesized as the major determinant of private vehicle ownership. However, the spatial arrangement of urban fabric has becoming more important determinant of owning a vehicle. Other determinants such as government policy, auto vehicle financing, household characteristics and travel characteristics are also important. Therefore this paper is analyzing the spatial, economic and environmental determinants of private vehicle ownership in Malaysia with a special reference to the Penang Island. Penang Island is located on the northeastern region of Malaysia and is an industrialized and a very developed state. Penang Island has a population of 575,498 in 2000. As private vehicle ownership is also associated with externalities such as traffic congestions, accidents, inadequate parking spaces and pollutions, it is an important component of local and regional policy making. Thus, the implications of the vehicle ownership levels on the space, economy and environment are also discussed in the paper.

Keywords: Private vehicle ownership, determinants, Malaysia

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An analysis of industry spatial development: The case of Esfahan province

Undoubtedly, industrial development is one of the major causes of socio-economic expansion. However, to obtain a sustainable development leading to the least environmental damage, its association with the spatial balance is highly recommended. Having an accurate spatial planning for industrial development, the spatial imbalance of the environmental phenomena could be controlled, and directing the industries towards the other suitable areas can lead to a kind of comprehensive expansion. Esfahan province which has been under focus in this study is considered as the second industrial province of Iran and the industrial expansion in this state has been truly remarkable. Because of the great economic potentials of this province, and more specifically, the gathering of most industries in a 30 kilometer distance of the province center, the emergence of deficiencies at all levels which might be caused by this expansion is not unlikely. This gathering would lead to a kind of spatial imbalance in this area which could gradually turn into a chaotic state. This study has hypothesized that “there is an imbalance in Esfahan province’s spatial distribution of industries”. The study has used the statistical-descriptive method, Location Quotients (LQ), and Distribution Quotients (DQ) models. Using LQ, the employment rate and the man power potential in each district would be analyzed. After computing this Quotient, it would be possible to specify the man power expertise in each area. On the other hand, it would be possible to determine the degree if industries’ concentration or the intensity of dispersion in one area. Combining the aforementioned models, the following objectives in the industrial development planning could be achieved:

- Identifying the spatial imbalance, its growth could be more properly controlled.
- Determining the potentials of other districts located in one geographical area, the industrial concentration in one district could be prevented, and the industries would be properly distributed based on the specialized features of the areas.
- Having a suitable spatial distribution for industries, it would become possible to catalyze the industrial expansion and eventually the socio-economic development in deprived areas of the province.
- Focusing on industrial development of the deprived areas, the employment rate would be increased and the irregular immigrations to the bigger cities would be decreased.
- A proper balance would be achieved in the area and the imbalances would be controlled.
- The sustainable ecological conditions in big cities would be preserved and strengthened.

Keywords: Industry, development, spatial, Esfahan Province, Planning

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Regional innovation systems and institutional transformation: The case of “Biorefinery of the Future”, North Sweden

While institutions have played a prominent role in regional innovation systems research, there is a gap in the literature on the issue of institutional change (Gertler, 2010). Previous studies emphasize the rule-like character of institutions guiding organizational behaviour (Doloreux and Parto, 2005), while paying less

attention to the mechanisms of institutional persistence and development as such (Scott, 2008). Various scholars have therefore called for a more dynamic and historical approach to the field (e.g. Asheim and Gertler, 2005; Geels, 2002; Edquist, 2005; Bergek et al, 2008). More specifically, the relationship between institutional change and innovation system characteristics, dynamics and performance is poorly understood, and a need exists for further empirical research and theory development (Coenen and Diaz Lopez, 2010). While various empirical and theoretical contributions in the area of socio-technological transitions and economical transformations have been made, these lack an explicit and substantive connection to different types of innovation systems (Markard and Truffer, 2008; Metcalfe and Ramlogan, 2008). The paper will focus on institutional persistence and change in regional innovation systems by means of analyzing innovation biographies. Innovation biographies generate detailed insights into the various ways in which actors have followed, ignored or changed institutions in the course of the innovation's development trajectory (Moodysson et al, 2008). The innovation trajectories are analyzed by identifying triggering events/critical incidents, representing major changes in practice and/or major breakthroughs or failures (Pettigrew, 1997). In doing so, the paper resonates with the notion of institutional entrepreneurship which refers to the 'activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones' (Maguire et al., 2004). Institutional entrepreneurship has recently entered the literature on innovation systems to account for pathways by which regional institutional deviation from national structures have transformed modes of governance for innovation in a number of sectors (Crouch and Voelzkow, 2009; Sotarauta and Pulkkinen, 2010). Empirically, the paper analyzes the institutional strategies adopted by key actors in the Swedish VINNVÄXT program 'Biorefinery of the future'. This initiative seeks to develop the regional innovation system in the Örnköldsvik area drawing on knowledge and competencies from established pulp & paper, chemical and energy companies and universities in the region. A biorefinery is a facility that integrates biomass conversion processes and equipment to produce environmentally friendly fuels, power, heat, and value-added chemicals from biomass. This technology has the potential to offer new market opportunities and value-added competitive strategies for traditional industries locked into mature technologies and declining markets. However, on a sector-wide level, the adoption of biorefineries in pulp & paper, chemical and energy industries has been hampered by considerable institutional barriers (both cognitive and regulative) typical for mature, locked-in industries. The paper analyzes the strategies taken by the actors in 'Biorefinery of the future' to break out of this institutional lock-in and to pave the way for the wider adoption of this emerging new technology.

Keywords: Innovation, regional development, institutional entrepreneurship, biotechnology, mature industries

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Informality in space

The informal sector, composed by firms characterized, among others, by their capital and size restrictions, labour intensive technologies and low productivity, accounts on average more than 40% of employment in developing countries. However, in Urban Economics (UE) and New Economic Geography (NEG) models, which strongly support and promote urbanization in developing countries, all production takes place in the formal sector. In this article we argue that the praised benefits of urbanization, when reconsidered in the light of the dualistic production structure of developing countries, are not as evident as these strands of literature leads to believe. We carefully review the way in which the concepts of "external economies" from the UE literature and "efficient city size" from the NEG literature are used in the debate of urbanization in developing countries. We pay particular attention to the consequences that omitting the existence of an informal sector in these two strands of literature has on policy recommendations. We find that by ignoring the role of the informal sector in the economic structure of developing countries, the UE and NEG literatures have overstressed the benefits of urbanization in developing countries in their discourses. Regarding "external economies", we find that informal firms benefit from or contribute to Marshallian economies in a very limited way. Furthermore, the possible benefits arising from intermediate linkages, another source of external economies, are restricted by the fact that subcontracting to informal firms in developing countries has little to do with specialization. Regarding "efficient city size", we find that any serious attempt to draw conclusions on the optimal size of cities in the developing world cannot be based on perfectly functioning markets models that ignore production dualism in developing countries. Our analysis suggests that, although there is no empirical evidence on the matter, urbanization economies only play a limited role for informal firms. After outlining the limitations of the concepts of external economies and efficient city size, we introduce the concept of "quality of agglomeration" in order to delineate a more realistic research agenda. We suggest that establishing the sectoral composition and the share of traditional and modern informal firms can be informative about the quality of agglomeration of cities in developing countries. We conclude that the study of urbanization in developing countries cannot be separated from issues such as worsening labour conditions, which are at the core of the transition away from informality and the improvement in the quality of entrepreneurship in developing countries. Our final message is that the

study of urbanization in developing countries should devote more attention to the sector that actually employs the majority of urban dwellers.

Keywords: Informal sector, development economics, Urban Economics, New Economic Geography

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Emerging talents? International students before and after their career start in Denmark

International students are seen as potential skilled migrants in the intensifying competition for talent driven by the globalising knowledge economy. However, little is known about what shapes individual decisions to come and study abroad or to continue their career in the host country. The paper aims to address this research gap by examining the international students' perspectives on and international graduates' experiences with the transition from study-to-work life in Denmark. It does so by exploring the complexity of factors and considerations that come into play at contextual and personal levels in this status transition process. The analysis is based on qualitative research with international students enrolled in science and technology degree programmes at the universities in Copenhagen metropolitan region and recent international graduates that stayed on in Denmark as foreign workers after completing their studies. Looking at individuals from diverse national backgrounds (EU/EEA and non-EU/EEA), the study considers how different circumstances have impact on the ways through which individuals perceive and manage the status transition process. Denmark is a relatively new entrant in the global competition for talent and represents only an emerging study destination for international students. This makes it an illustrative case of an evolving host country context, where international students' status transition represents a challenging process both from policy-making as well as from the involved individuals' perspective. The discussion draws attention to the diversity of constraints and opportunities that shape individual student migrants' perspectives and trajectories. In this sense, the study responds to a call for a more nuanced understanding of the drivers of international student migration to better understand the mobility dynamics of this emerging sub-class of mobile talent. More broadly, it strives to open up the "black box" surrounding the individual in the existing accounts on globalising knowledge economy.

Keywords: International students, status transition, talent mobility, knowledge economy, Denmark

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Shift to direct-to-pharmacy model in European pharmaceutical distribution system and changing behavior of distributors

Economic geographers have been examined distribution restructuring process mainly from locational changes of retailers. They also have been focused on the tension between the potential for expansion of geographic reach and local specialization in food supply chain. However, the changes in the distribution policies of European pharmaceutical manufacturers have been altered the behavior of pharmaceutical wholesalers and retailers since 2000s in pharmaceutical supply chain focusing on equitable distribution. Pharmaceutical wholesalers need to adapt to local market characteristics of different areas when selling pharmaceuticals to their customers. These market characteristics depend largely on region-specific institutional context based on social and cultural environment of each region. Therefore, there are regional differences in the development of pharmaceutical wholesaling business. Nonetheless, the regional differences and the factors resulting in the regional differences remain incompletely understood from the institutional context. This research illustrates how the direct sales system has been developed in European pharmaceutical distribution and examines what kind of impact the system has on the existing transactional relationships and the behavior of distributors including pharmaceutical wholesalers. European governments have adopted control policy of prescription drug cost. Because drug price margin has been squeezed, distributors need to deliver prescription drugs at lower cost more efficiently. Prescription drugs are freely distributed across the borders in EU countries. Healthcare system including drug price system is governed by each national law. Therefore, price of the same prescription drug varies from country to country. Distributors try to make a large profit from parallel trade, by which prescription drugs are imported from the country with low ex-factory price to the country with high retail price. However, pharmaceutical manufacturers face risks such as unpredictable accurate demand of each country, loss of profits which they could have gotten, and mixing of counterfeit with genuine goods. Then, some pharmaceutical manufacturers reduce the number of wholesalers they deal with or launch direct-to-pharmacy (DTP), in which prescription drugs are sold direct from them not via pharmaceutical wholesalers. These efforts will promote transparency of the distribution process and ensure their profits. On the other hand, distributors including pharmaceutical wholesalers have restructured the distribution system in accordance with DTP. The pharmaceutical manufacturers have been diversified their distribution policies by a mixture of multiple institutions. These include the EU law that stipulates competition principle and laws of each country that stipulates price mechanism. A complicated pharmaceutical distribution system is formed with the consequence that distributors' behaviors have been changed.

Keywords: Pharmaceutical, direct-to-pharmacy, distributor, Europe, pre-wholesaler

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Tear down this wall: On the persistence of borders in trade

Why do borders still matter for economic activity? The reunification of Germany in 1990 provides a unique natural experiment for examining the effect of political borders on trade both in the cross-section and over time. With the fall of the Berlin Wall and the rapid formation of a political and economic union, strong and strictly enforced administrative barriers to trade between East Germany and West Germany were eliminated completely within a very short period of time. The evolution of intra-German trade flows after reunification then provides new insights for both the globalization and border effects literatures. Our estimation results show a remarkable persistence in intra-German trade patterns along the former East-West border; political integration is not rapidly followed by economic integration. Instead, we estimate that it takes at least one generation (between 33 and 40 years or more) to remove the impact of political borders on trade. This finding strongly suggests that border effects are neither statistical artefacts nor mainly driven by administrative or "red tape" barriers to trade, but arise from economic fundamentals.

Keywords: Intra-national trade patterns, trade integration, home bias, globalization

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Performing the trade show: The case of the Taipei International Cycle Show

Much has been written on the economic dealings of trade fairs and their role as relational events that connect global production networks. But like many other components of the global economy, they are also *shows*, which are performed in many ways, some complex and some quite subtle. In consequence, they present an obvious site for exploring the cultural turn in economic geography. This paper uses performance theory to examine the workings of a trade fair, using the case of the Taipei International Cycle Show – currently the world's leading bicycle manufacturers' show. The acting out of a show, which involves activities which are in some ways highly structured but in others quite liminal and disordered and makes use of coded signs and texts,

is central to its economic success. The paper examines the characteristics of trade show performance, the audiences for whom the performance is made, the critical discourses over what standards are used for judging a performance, and potential of actor-network theory to assess the agency of the objects on display at the show. Performance aesthetics are found to connect the material aspects of the trade show with the consciousness of the audience, the aim being to use diverse theatrical techniques to achieve economic ends – the promotion of global trade. Geographically, a series of stages are identified which operate at several scales, with the performance at each scale scripted in ways that recognize the audience addressed. Actors, actions, texts and props are all considered part of the show, with the time frame not limited to the scheduled hours of the trade show, and the audience not limited to those actually attending.

Keywords: Trade show, performance, global production networks, Taipei; bicycle

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Climate change resilience in farmer seed systems: Local strengths amidst global challenges

Farmers' food and livelihood security depends crucially on their access to seed; diverse crops, both locally indigenous and modern/improved, are used as a means of coping with and adapting to highly varied and challenging climates and taking advantage of economic niches. This access is sometimes imperfect, excluding the most vulnerable socioeconomic groups, breaking down across geographic barriers, and failing in stress times such as droughts. It can be impacted by policy, aid interventions, and broader economic and social development. Amidst the increasing global concern over food security in the era of climate change, focus has thus been put on improving seed access. This also helps to meet conservation aims, as many crop varieties traditionally managed on-farm by farmers currently face risk of extinction, as local traditions are set aside in the face of global development pressures. Interventions to improve seed security, however, have often met with failure for not being cognizant of their local context, have engendered dependency, or have forced lock-in. They are rarely coordinated across areas, making it difficult to share the economic and livelihood benefits of biodiversity across geographic borders, a crucial capability in an era when climate change will likely shift the viable ranges of many crop species. This paper is an attempt to identify ways in which more resilient local-global seed systems can be supported or introduced. The goal is to better operationalize and apply theoretical ideas within this context. A framework is developed, linking the political ecology concept of resilience with the literature on farmer seed systems and that on climate change adaptation in order to develop tenets for improving farmers' seed systems resilience to climate change. The maintenance of social capital imbedded in extant farmer seed systems is found to be particularly crucial, as are a cognizance of the extant political economic and ecologic context and the importance of multiple scales. This is then illustrated via two case studies using novel primary data from farmers from diverse contexts, Ethiopia and Papua New Guinea. This data is used not only to assess the resilience of these systems in particular, but also to illustrate the value and difficulties of applying this theoretical framework in the empirical context and to reflect on the contributions the framework can make to policy planning and intervention design.

Keywords: Agriculture, biodiversity, food security, development, climate change

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Mapping the global production space by a network model

This paper is a part of an ongoing research project on the competitiveness of Czech economy, regions, and firms in the context of changes in the global and European production space. After a brief introduction of the project rationales, the first results will be presented in terms of the network models of international division of economic activity. For these purposes, we use product-disaggregated data on export of individual countries over the period of 1962-2008 in order to quantify the pair-wise similarity of countries in regard to the mix of products they specialize in. Basing on these pair-wise similarity measures, we construct the network models and examine their structure and changes over time. Although the focus of this presentation will be mainly on various global characteristics of the network models, these models will subsequently serve as an analytical tool for mapping the position of individual countries and regions within the global production space. Such an approach to the study of national and regional economic prospects draws on the basic assumption that economic development is a path-dependent and that it can be understood as a structural transformation of the production and export base towards a mix of (arguably) more complex products. At the same time, the position of individual economies in the global production space is dependent on their factor endowments as well as on their technological, skill, and institutional capacities and capabilities. All of these parameters are always more or less limited and more or less locally and historically bounded. It is thus assumed that economies with similar (tangible and intangible) endowments and capabilities will cluster together in our network models because of the similarity in their export mix. As such, it is expected that these models can not only provide us with a reasonable aggregate view on the international division of economic activity and its changes over time but that they can

also be useful in regard to the mapping of the positions and outlooks for individual national and regional economies.

Keywords: Competitiveness, globalization, global production space, network model

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Urbanization and economical development in Bosnia and Herzegovina

Our researches will be focused primarily on new urban and economic development of Bosnia and Herzegovina. Every country and every region is urbanized gradually but the intensity and forms of urbanization change over time with socio-economic development. Thanks to its functions, urbanization has, as it is often emphasized, a focal meaning in space at which it is located. Such form of urbanization and economic development with, naturally, certain specificities, is characteristic of our country in development. Rapid increase in population in urban settlements and rural exodus as an attached occurrence cause certain consequences, which calls attention and requires specific interventions of society. It is thought that economic forces have a dominant influence on urban and economic development of cities in Bosnia and Herzegovina. In addition to material production, cities are also bearers of service activities. Except industry, here are commerce, school system, health care, administration etc. Population of surrounding areas meets many living needs in cities, but also supplies populations of cities with many food products from the surroundings. Thus, between a city and the surrounding area there are complementary functional relations. Intensity of functional association of a city and the surrounding area, as a rule, weakens with increasing a distance from a city. However, in last twenty years, the processes that change tendencies of urban and economic development of Bosnia and Herzegovina have been acting more and more intensively in the world.

Keywords: Urbanization, economic development, Bosnia and Herzegovina, industry, population

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Management subjects and management objects through the lenses of ‘embedding’, ‘coordination’, and ‘competition’

Management geography should not be “a bit of management studies attempted by geographers”. Rather, it should be a study of management practice from a perspective that is distinctively geographical; i.e., not already practiced by representatives of other disciplines. In this explorative paper, I take it to be the study of corporate management that acknowledges the conditioning role of a geographically delimited environment of the firm on managerial practice, and vice versa. I discuss management from the perspective of three concepts: embeddedness, coordination, and competition. I consider them as mutually complementary ways of approaching managerial practice (the ways of management subjects) vis-à-vis what is being managed (management objects), and as significant for geographical analysis. The perspective of embeddedness. Embeddedness is a complex notion but I will discuss three senses in which it seems to be helpful in understanding managerial practice. First, managers as embedded in the social relations of the (potentially) globally operating managers; second, as individually embedded in their various personal social relations; third, as embedded in the social relations of the location of their specific corporate unit. The various managerial embeddings may strengthen each other, but they may also conflict. The perspective of coordination. Management concerns fundamentally the coordination corporate operations. Corporate coordination, however, cuts across the various embeddings and environmental dependences. Appreciating them fully creates boundaries within a corporate organisation, necessitating a challenging search for a balance between intra-corporate and extra-corporate coordination across spaces and spatial scales. The perspective of competition. The competitive market sets the ultimate criterion of managerial success. This is the “hard” side of management, with implications to its geography; and it puts the various managerial embeddings and coordinating principles to test. It is proposed that the three concepts help reveal key issues in management practice that include geographically delineated corporate environments and their relevance in managerial practice, showing the vitality of a geographical perspective – management geography – but help us go beyond simple ideas presented in terms of embeddedness.

Keywords: Management, geography, embeddedness, coordination, competition

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Comparing automobile clusters in China and India: Lead firms vs local institutional conditions

This study examines how local institutional conditions help to shape the patterns of regional cluster formation, and how the patterns of industrial clustering differ in China and India. Various strands of the recent literature on agglomeration and clustering postulate that clustered firms and industries gain localized external benefits, such as increasing returns to scale, pooling of skilled labor, and knowledge spillovers; they suggest that lead firms play an important role in developing regional industrial clusters. Particularly in the context of developing countries, lead firms operated through FDI play a crucial role. But this widely accepted assertion does not sufficiently explain why the presence of the same FDI firm as a lead firm may bring about different patterns of cluster development in different locations. The literature also points to regional innovation systems (RIS) or local innovation systems (LIS), characterized by close local networks among firms, universities, government offices, and industrial associations, as playing an important role in cluster formation and development. It is often difficult, however, to understand how important such local institutional factors are vis-à-vis the lead firms in developing industrial clusters. Therefore, this study compares two leading automobile industrial clusters, one in Bangalore, India and the other in Tianjin, China. Both have developed with Toyota as a lead firm. This comparative study is of particular interest for several reasons. First, as the automobile industry is a key industry significantly affecting the economy, both nationally and globally, automobile clusters make an important contribution to regional and national economic development. Second, China and India, ranked as the second and fourth largest car-producing countries in Asia respectively, are both expected to play a more prominent role in shaping the global automobile industry in coming years. Third, the governments, both regional and national, of China and India have played an important role in developing industrial clusters, but have used different policies and strategies. Fourth, the case study of the two clusters in different countries but sharing the same lead firm allows us to focus on institutional conditions embedded in the respective regions. Finally, China and India exhibit very different patterns of economic and industrial development: China has focused on export-oriented manufacturing, while India’s recent economic development has mainly been driven by services, such as software and IT-enabled services. This research employs a case study approach focusing on two industrial clusters. Thus, the unit of analysis is the cluster. I draw on the data collected through interviews with key auto firms, their suppliers, and government offices at national and regional levels, and industrial associations in these two clusters. The findings of this study shed light on a complex set of institutional conditions, such as local

market structures, incentives and institutional constraints set by governments, and geographical conditions, that together shape the patterns of regional cluster development.

Keywords: Industrial clusters, automobile industry, India, China, local innovation systems

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Places for place-based policies

Place-based policy, in contrast to people-based policy, consists of investment or institutional innovations focused on communities, or places, for the purpose of improving economic outcomes for the local population. The 2009 World Development Report, *Reshaping Economic Geography* (World Bank 2009), provides evidence that economic growth is uneven across and within countries, and argues that this inequality is beneficial. Both globally and nationally, production will become more spatially concentrated to realize agglomeration benefits. They argue that economic integration of the least and most favored geographic areas can be achieved through 'spatially blind' institutions and connective infrastructure. Place-specific or place-targeted intervention to address the least favored (in an agglomeration environment) regions is to be used more sparingly. In spite of being widely criticized, Place-based policy is ubiquitous. The conventional economic case against place-targeted interventions is strong, relegating its application to a narrow range of cases where labor resources are immobile and/or in the presence of externalities. The productivity benefits of agglomeration economies provide a compelling case for the unimpeded mobility of resources from geographic areas of lower to higher productivity. Policies directed at supporting economic activity in particular (low productivity) places, it is argued, not only reduces overall economic productivity by slowing needed adjustments, but may also be a disservice to the residents of disadvantaged regions. Critics claim that a culture of dependency may be created, prolonging the poor economic performance of lagging regions and slowing the movement of residents to places with better long-term prospects. However, both globally and within nations, equity considerations lead to policies and programs for disadvantaged regions and the populations in those regions. In another dimension affecting the application of place-based policies, the challenges of declining rural areas in North America or Europe may also be fundamentally different from the options to be considered in developing countries that are at a very different point along the development path. We propose a possible means of choosing places for place-based policies, using empirical results from Canada, Chile and Peru.

Keywords: Place-based, resource-dependent, rural development

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The accessibility level of the government's financial and credit assistance towards the performance of the Bumiputera Small and Medium Industries in Kedah, Malaysia

In Malaysia small and medium-sized industry (SMI) has been playing an important roles in its national economic development. In relation to this, government through its various ministries and agencies had provided various supporting programs to develop this industry. These include the (i) financial and credit assistance, (ii) technical assistance, (iii) extension and advisory services (iv) marketing and market research and (v) infrastructure support. However the main focus of this paper is to analyze the level of accessibility of the credit and financial facilities offered by the government to the Bumiputera entrepreneurs in several selected industrial estates in Kedah, Malaysia. The level of accessibility is measured on percentage of accessibility as developed by Norusis (1995) based on 4 levels namely (i) accessibility of less than 50% is considered as low level, (ii) 51% to 70% is considered as medium, (iii) 71% to 90% - high and (iv) more than 90% is considered as a very high level of accessibility. The finding of this study based on 57 entrepreneurs shows that the level of accessibility is still low, with 46% of the entrepreneurs had received the assistance. Nonetheless their perception towards the government policies and strategies has been positive. The main finding of this study shows that the entrepreneurs who had succeeded in receiving the financial and credit assistance believes that they are better-off now than they were before. On the other hand the 54.4 percent of the entrepreneurs who did not receive the assistance cited three main reasons which include (i) rejected application, (ii) lack of collateral and (iii) no orderly business record. The finding of this study also suggested that the win-win situation for both the government and entrepreneurs is unattainable since more than 50 percent of the entrepreneurs failed to get the assistance. This is rather ironic since the government had spent billion in promoting and developing the Bumiputera Community in Commerce and Industry. Thus in order to achieve the desirable results, this program need to be reviewed and adopting several strategies namely determining the target of SMI that are in need of assistance. Therefore in line with the government's aspiration of achieving vision 2020 of creating a developed nation, serious and focused effort must be put in placed towards the creation of the successful Bumiputera

entrepreneurs. In general the SMI can be regarded as training ground for the entrepreneurs in moving towards a bigger scale manufacturing enterprises.

Keywords: Accessibility level, financial and credit assistance, industrial estates, Bumiputera entrepreneurs, small and medium industry

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A brief history of the world's largest mining company, and other embarrassing oversights in economic geography

The paper presents an abbreviated history of the key events in the rise of BHP Billiton to become the world's largest mining company. These events and their impacts are then used to argue for a central place in economic geography for the study of the corporation. However, the paper argues that the study of the corporation is neglected quite significantly by contemporary economic geographers, including by the author; and that a theoretical and political project advanced by a substantial base of empirical work on industrial change and corporations in the 1970s and 1980s has now stalled. The paper concludes with an assessment of the viability of the corporation as a central vehicle for the analysis of spatial/economic change, especially in the context of there being limited economic geography researchers and research resources, and in the absence of an obvious affiliate elsewhere in the social sciences.

Keywords: Corporation, BHP Billiton, theory of the firm, theory, politics

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The irresolvable dilemma for infrastructure provision in large cities in emerging economies

The paper examines the substantial tensions in the design, funding, delivery and operation of infrastructure in large cities in the emerging economies. These arise from the contradictions in purpose that are intrinsic to infrastructure procurement. One goal of infrastructure, as Adam Smith foretold, is to secure labour supplies and markets for commerce, an insight David Harvey reinforced in his analysis of urban circuits of capital in various works during the 1980s and 1990s. On the other hand, there is widespread belief that infrastructure is, or should be, a public good whose main purpose is the production of quality living for urban residents, and, more recently, to contribute to the development of sustainable life systems. How the tensions between these two aspirations are resolved produces different outcomes in terms of infrastructure design, funding, operation and user access. The paper presents evidence of the dominance of commercial goals in infrastructure provision in emerging economies; alongside an argument that the developed world has failed to produce a transferrable model where public good aspirations are more likely to be realised. Conclusions for sustainable, quality, equitable urban living are drawn.

Keywords: Infrastructure, urban economy, emerging economies

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Long-term processes of regional concentration and dispersion: Fuzzy evidence for Western Germany

This paper sheds new light on the long-run development of the geographic concentration of economic activity. Unlike most of the existing empirical literature, we consider a time period of 20 years ranging from 1986 to 2006, which enables us for the first time to focus on the evolution of concentration patterns. We measure concentration with the Ellison-Glaeser index (EG). The analysis is conducted for Western Germany with the help of a consistent and comprehensive micro-level database on firms and employees in Western Germany. A short literature review on West Germany laid open that the majority of the existing studies, albeit relying on different methods, industrial and spatial scales, provide concurrent and not fuzzy evidence on deconcentration of economic activity in Germany. Our analysis of the development of the EG at two different spatial and industrial scales for West Germany confirms this outcome. We found evidence for a long-term trend of slight spatial deconcentration over all industries in West Germany from 1985 to 2006. Although, this result is more pronounced at more disaggregated spatial and industrial levels. In turn, one may conclude that deagglomerative forces prevail slightly as driving motor for spatial dynamics in West Germany. In addition, most of the industries are stronger geographically concentrated than purely random distributions of firms during this observation period. Thus, the spatial concentration of economic activity really matters! The analysis of the detailed patterns showed great heterogeneity of the dynamics of geographic concentration among industries over time. This outcome confirms the diverging impacts of agglomerative and deagglomerative forces operating at the industrial level. For instance, we observed a persistence of established spatial patterns particularly in old-fashioned industries, although those have undergone structural crisis and decline. More concentrated patterns developed, in particular, in technology-intensive manufacturing industries and in human-capital-intensive business services. These industries are not as strong concentrated as one would have expected according to

theoretical work. The international comparison of several industry-specific rankings of the EG-Index revealed a range of concurrent results. In particular, old-fashioned manufacturing industries as well as industries bound to site-specific requirements are highly concentrated in space. Technology-intensive industries are either strongly or weakly concentrated in space. One may state that this cross-country evidence of industrial rankings of the EG is not as fuzzy as the diverging country-specific outcomes of dynamics of spatial concentration. In a brief econometric analysis, we tried to examine some of the explanations for these developments. Industry size, average firm size as well as the shares of low and high qualified employees affected distinctly the changes of industrial agglomeration in West Germany whereas the share of old firms did not show an evident impact. Again, we could confirm that the effects of these determinants were heterogeneous between different sectors. In accordance with other studies, there remains in our analysis also a large unexplained part of the variance, and, thus, apparently a lack of knowledge about the processes which fuel spatial agglomeration and dispersion.

Keywords: Ellison-Glaeser-Index, regional concentration, regional evolution

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Creating, maintaining and rethinking global connections: Multinational agrobusiness and the precarious making of agri-export markets in the Global South

This paper reconstructs the evolution of a multinational fresh produce company from Ghana and demonstrates how this firm has created and maintained a variety of different global market connections. Based on a critical ethnography of marketization, the paper unpacks the multiple relations, strategies and practices that have enacted and performed these global connections. Contributing to an understanding of the co-evolution of firms and markets in agro- industries in the Global South, the paper argues that firms aim more at achieving stability in socio-material relations vis-à-vis workers, suppliers, buyers and consumers instead of merely pursuing 'efficiency'. Relational stability is central to a firm's survival in flexible fresh produce markets and therefore this paper also illuminates the mundane and extraordinary practical problems and (anti-)politics underlying its effective (re)production. Thus, the paper discusses both the challenges linked to the everyday reproduction of distinctively formatted supplier and labour relations, as well as those associated with the maintenance of global connections in extraordinary crisis moments such as the recent global economic crisis. These challenges inevitably provoke critical questions with regard to 'going global' strategies of agrobusiness firms in an 'African context', their integration into asymmetrically structured retail-chains, and the unevenly distributed risks and opportunities stemming from particular models of export-orientation and value addition. Altogether, the paper seeks to contribute in three distinctive ways to current debates in economic geography. First, it should be read as an empirically grounded contribution to the geographies of marketization. Second, it tries to make a case for a critical ethnography of the firm and of wider processes of marketization. Third, the paper tries to contribute to the long-neglected study of the variegated economic geographies of the Global South.

Keywords: Marketization, agro-industries, global value chains, multinational corporations, Global South

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Simulation and analysis on human dimensions of urban thermal environment in valley-city: A case study of Lanzhou, China

Urbanization was followed with series of physical ecology landscapes replaced by human ones, which implies an important physical and social ecology process. The formation and evolution of urban thermal environment, which are closely related to changes of land cover and socioeconomic activities of human being in urban area, can generalize and embody urban ecological environment condition. Distribution and evolution of urban thermal environment is relevant to interactions of human activities such as the change of underlying surface, anthropogenic heat emission and environmental pollution. Due to the complexity of factors contributing to urban thermal environment, the routine observing methods and statistical methods are insufficient in acquiring data and analyzing the responses of human activities to thermal environment, especially discerning the major attributors from the others. Existing research efforts on the driving mechanism of urban thermal formation and evolution have been mostly focused on the measurement of a single or several indicators representing land cover changes, socioeconomic conditions, etc. There is still lack of a comprehensive analysis with respect to surface thermal environment system from a regional perspective. In the recent fifty years, urbanization of Lanzhou shows a quick increasing period, integrated effect including artificial and original influence factors bring prominent and particular hot island effect compared to the plain cities. So it is necessary to research on the temporal-spatial characteristics and formation mechanisms of thermal environment in Lanzhou. Based on Landsat TM images and taking the arid valley urban area of Lanzhou as a case study, this paper employed Spatial Principal Component Analysis(SPCA)method to analyze the spatial pattern and the influencing factors of urban thermal environment as a substitute of Multi-Criterion valuation(MCE) method. Several conclusions have been drawn as follows: There are four primary factors to the density and spatial pattern of urban environment in Lanzhou, which can be generalized as landscape pattern, allocation of industries, urban construction density and types of underlying surface. The cumulative variance contribution rate of the first four principal components was 91.27 %. It is dissimilar in the formation mechanism of thermal environment among all the zones through comparing four principle components. The linear model including the four independent variables could reveal the response mechanism of human activities on thermal environment in Lanzhou. Different from other cities, landscape pattern was regarded as the most sensitive factors to thermal environment among these factors, whose variance contribution was up to 48.42 %. Furthermore, the difference in spatial distribution of the main factors facilitated the formation of the diverse urban thermal environment in different areas. The results would be valuable to simulate spatial change of urban thermal environment and even put forward countermeasures to lessen the urban thermal environment intensity for policy makers, at the same time can also support the decision for urban planning, urban constructing, environment protecting and regional sustainable development in Lanzhou City.

Keywords: Urban thermal environment, human dimensions, spatial principal component analysis, arid valley-city, Lanzhou

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Land use management VS rural poverty

Due to its physical aspect with a rolling landscape and mostly sandy soil combined with too much rain in the rainy season and drought in almost all of the 4 months dry season, the Northeast region of Thailand is regarded as and has become the most poverty – stricken area of the country. Most of the families who are farming have only about 2.5 hectares of their own land on average. The land that is located near to rivers is suitable for cultivating rice. The higher ground is used for cash crops, especially Jute, Cassava and Sugar cane. These cash crops utilize much land when used for extensive cropping. Initially the yield per hectare is very high but within a few years the yield per hectare decreases because the soil becomes less fertile. As a result of the above mentioned problems, this leads to the migration of the Northeast people. They move to work as laborers in the Big City or they go abroad. This research studies 10 farming families in the Northeast of Thailand. The study is derived from in-depth interviews about the changes in their land use management. These farming families own about 3.5 - 6 hectares of land. They manage their land in 4 parts. The first area is used for housing, poultry, cows, buffalo etc. The second is a pond area used to store water for the dry season and also for farming fish. The third area is used for rice cultivation in the rainy season but in the dry season they grow watermelon, sesame, tomato, maize, beans, cucumber etc. The fourth area is prepared for use in growing perennial plants, such as mango, tamarind, longan, banana, cassava, ginger, lemongrass etc. The division of land use management is decided upon by the farmers. With prudent management they can work all year round, even in the dry season,

so they don't need to go and work outside of their community. They can earn more money from their integrated farming crops. This contributes to their well-being and can also help to eliminate poverty for these farmer families.

Keywords: Rural economy, land use management, poverty

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Power, politics and economic geography

In the conventional approaches to economic geography, little attention has been paid to the political processes and power struggles among social actors in explaining the spatiality of economic processes. Recently, however, growing efforts have been made to read the spatiality of economic processes *politically* – that is, with an eye to the social struggles and political alliances that significantly influence corporate behaviors, regulatory environments and institutional arrangements that enter the economy, and the formation of accumulation strategies. In particular, recent works on global production networks and labor geographies have highlighted the significance of identifying a wide range of non-firm actors – including labor unions, consumer groups, environment activists etc. – as constituent parts of the overall production system, and also to acknowledge the complex nature of interdependencies and power relations among these actors. Along with this new trend in economic geography, this paper argues that economic geographers need to pay more attention to political processes and power relations among various firms and non-firm actors. In doing so, the state needs to be more properly understood. This paper suggests that the centrality of the state in the economy can be better explained in terms of the contestations and struggles among social forces, who are not just participating in economic processes, but also operating in and through the state. It also provides several Korean empirical cases through which to read economic geographies politically.

Keywords: Global production network, labor geography, state, social movement, Korea

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Multi-scalar practices of labor and economic geographies of TNCs: A study on labor geographies of the Nestle Korea

Recent literature in labor geography highlight that labor is not simply a factor in production, but a 'sentient spatial actor' that both intentionally and unintentionally produces economic geographies. In particular, growing numbers of studies demonstrate that workers and allied groups employ geographical strategies, including the politics of "jumping scale", actively to use or transform existing economic geographies. The existing studies on labor geographies, however, tend to see the workers' scalar strategies in a rather static way, in which workers' "jumping scale" practices tend to be assumed to have an one-directional movement either upward (e.g. labor internationalism) or downward (e.g. local community unionism). With this problem orientation, and borrowing the insights from the multi-scalar perspective, this paper aims to understand the actual ways in which the workers utilize the scalar strategies through an empirical case study on the labor strike that happened in a plant of Nestle Korea for 145 days in 2003. Based on the case study, this paper claims that the workers' scalar strategies are actually more complicated and multi-directional due to workers' complex and dynamic interactions with various political, economic and cultural forces and actors (e.g. national or local state, international organizations, discourses, etc.) at diverse geographical scales. Also, it suggests that the workers, who are capable of employing nicely coordinated multi-scalar practices, can be more influential to the economic geographies of TNCs.

Keywords: Social movement, strike, politics of scale, Nestle, South Korea

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Competitiveness of North East Asian science cities and discourse on their strategies

In a knowledge-based economy of the globalizing economic order, the role of regions is very significant in order to create and to disperse knowledge. Particularly, geographical clusters of firms in a single sub-national region may contribute to transmitting certain kinds of knowledge between and among firms. In addition, markets prefer to favour specialized firms with a coherent body of knowledge when knowledge creation and the use of new knowledge become increasingly important for maintaining and improving a firm's competitiveness. Therefore, regional policy makers may not interfere directly with markets and firms when the process of globalization pushes national economies into a world of learning and innovation. The reason is that the institutional framework for market exchange favours knowledge exchange in a globalizing economic system. This paper argues how Northeast Asian science cities such as Tsukuba Science City in Japan, Daedeok Innopolis in South Korea, Hsinchu Science based Industrial Park in Taiwan, and Zhongguancun Science Park in China have been developed in order to create technology innovation as well to contribute to national and regional economic growth. Moreover, it also focuses on their competitiveness and the further development strategy that

aims to become global science cities. Finally, it also discusses whether their competitiveness is based on global or local levels or not.

Keywords: Science cities, economic growth, technology innovation, global markets, high-tech companies

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Hakuba: Skiing to sustainability through declining demand

Hakuba is a small village in Nagano that played a major role in the development of Japan's ski, mountaineering, and accommodation industries. After a history of growth and innovation, the village now faces its greatest challenges: a decrease in skier population, Japan's decreasing population and changing demographic structure, the need to protect the environment, the building of summer and ancillary attractions, and welcoming foreign employees, entrepreneurs and inbound tourists. In order to provide a seamless and varied resort experience, effective and efficient response to these challenges requires both horizontal and vertical cooperation and competition. In that regard, Hakuba's outstanding feature is rivalry among a dozen rival ski slope operators, but village vitality also depends on hundreds of accommodation providers, distinctive neighbourhoods, and other service providers. Their rivalry has to be overcome to cooperate on branding, infrastructure, safety, quality control and other issues. Vertically, the ski slopes have to devise a mix of economies of scale integrating slope operations, restaurants, accommodations, land sales etc. to not only ensure their own profitability but also to act as pillars within the local economy. This integration may require ownership or strong interdependent relations. Hakuba is meeting these challenges with a mix of community and corporate approaches to managing a resort. This paper describes the institutions developed to bring stakeholders together and the mechanisms developed to encourage their participation and reduce freeriding. The research is relevant to the study of rural and tourism development generally, and to the specific fields of destination management organizations, ski resort and mountain villages, and village branding.

Keywords: Hakuba, skiing, sustainability, integration, tourism

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The geographic value cycle

Value chains and global production networks are key economic geography concepts because they explain and tie local development into global economic integration. They do not, however, incorporate or account for the flow of energy and materials through these global production systems, nor how environmental impacts are dealt with in the different stages and sites of global production networks. This paper extends these concepts to meet the challenge of environmental sustainability. Specifically, the value chain is extended as a value cycle to describe: 1) the flow of energy, materials, products, and money from source to sink, 2) the environmental impacts created at each organizational and geographic stage of production (extraction, processing, assembly, distribution, recovery, recycling), 3) the institutional context that controls for externalization or internalization of impacts at each geographic stage, and 4) the capacity of geographical locations to create conditions where environmental values are integrated into the value generation process. The value cycle provides a heuristic to illustrate the integration of environmental values with conventional value generation throughout the many stages of the lifecycle. The value cycle also provides the means to compare the relative success of different systems. This comparison is demonstrated with reference to Japanese home appliance manufacturers, comparing their national value cycle and its environmental performance parameters with the performance demands required within their global production and distribution systems. The Japanese system combines a depth and breadth of industrial capacities, comprehensive regulation, and institutional support that enable a high degree of environmental performance throughout the social and spatial divisions of labour of the value cycle. The shift to global distribution and production reduces the comprehensiveness of these parameters and hence environmental performance.

Keywords: Value cycle, environmental impacts, integration

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The internationalization of corporate R&D and the automotive R&D of East-Central Europe

This paper examines the development of corporate R&D in the automotive industry of East-Central Europe in the context of the internationalization of corporate research and development (R&D) generally and the automotive industry R&D specifically. Driven by large inflows of foreign direct investment since the early 1990s, the vehicle assembly and the production of automotive components grew significantly in East-Central Europe. We investigate whether and to what extent this increase in the automotive production outside the traditional core areas of the global automotive industry has also led to a significant development of other important parts of the value chain in peripheral regions of the global and European automotive production

system, such as East-Central Europe. In particular, we concentrate on the development of R&D competencies, which represent an example of a higher value-added function of the automotive value chain. Theoretically and conceptually, this paper draws on the global production networks perspective. Empirically, it examines the changes in the automotive R&D activities in East-Central Europe more generally and in Czechia more specifically to illustrate both the possibilities and constraints of automotive R&D development in peripheral locations of the European automotive production system. We provide a more detailed analysis of the Czech automotive R&D because of its prominent position in East-Central European automotive R&D. Despite a modest growth, our analysis uncovers inherent weaknesses of automotive R&D in East-Central Europe and strong barriers to its future development related to its peripheral position in the European and global automotive production networks. The paper starts with a discussion of basic processes and the geography of the internationalization of R&D. In the second section, we focus on R&D internationalization in the automotive industry. In the third section, we evaluate the position of East-Central Europe's automotive R&D in the European context. In the fourth section, we analyze the Czech automotive R&D in greater detail. Main findings are discussed in the Conclusion.

Keywords: Research and development, internationalization, automotive industry, East-Central Europe

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A variety of capitalism ... with Chinese characteristics?

The varieties of capitalism (VoC) framework represents one of the most influential innovations in the field of comparative political economy in the past two decades. Classically, it seeks to account for enduring spatial variations in national economic performance by recourse to macroinstitutional analysis, drawing ideal-type distinctions between liberal market economies (LMEs), modeled on the United States, and coordinated market economies (CMEs), modeled on Germany. The VoC literature has been critiqued for having more to say about some registers of variety (focused on a specified cluster of national institutions), than about capitalism itself; for its growing reliance on rational-choice, firm-centric methods; for its failure to account for the pronounced interpenetration and mutual dependence of capitalist economies; and for its tendency to privilege typological elaboration over causal explanation. Nevertheless, the VoC approach can be credited with problematizing issues like changing forms of geoeconomic differentiation and alternative pathways of macroinstitutional regulation, at a time in which "flat-world" globalization orthodoxies have been in ascendancy. The paper addresses the question of China's position within the VoC framework. China remains perhaps the most conspicuous outlier in this literature, neglected until relatively recently and inconsistently handled since. The country's sustained economic expansion and undisputed global role raise vexing questions, inter alia, about the capacity of the VoC framework to account for capitalist dynamics outside the limited confines of the LME-CME continuum; the potential and limits of firm-centric forms of political economy; the utility of selectively analyzing national institutional environments at the expense of other socio-regulatory and geopolitical registers; and, not least, the ontological and explanatory status afforded to multi-scalarity and uneven spatial development. Moving beyond the question of if and how the VoC framework might be "applied" to the Chinese case, the paper deploys a critical reading of this case in order to evaluate the integrity and potential of the framework itself.

Keywords: Varieties of capitalism, Chinese capitalism, variegated capitalism, socialist state, developmental state

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Economic geography unbound

In the past decade, economic geography has continued to prosper within and beyond geography. Beyond geography, it has taken on a life of its own as geographical economics, generating mainstream conceptions and policies that have gained global purchase. Yet this evolutionary trajectory remains poorly aligned with that of the ongoing metastasization of geographical political economy within geography. Core principles of the latter have emerged as attractors of geographical debate: the mutually constitutive nature of economy, spacetime and 'nature', as well as that of economy, polity, culture and society. Questions of accumulation and value remain central, framed around such concepts as networked, relational and evolutionary economic geographies. Those of governance and regulation have gained increasing attention, around issues of geographical variegation, policy networks and contestations of capitalist norms. Embodiment and identity have become vital themes, taking up subject formation, socio-spatial positionality, subalternity and collective action. Although economic geography remains dominated by Anglophone theorizations and debates, these are being increasingly contested by voices from, and attention to, emerging economic geographies beyond the global

north. Looking forward, a vivacious economic geography must reflect on its own history, to avoid the fate of repeating it, continue to diversify its voices and perspectives, in the spirit of engaged pluralism, more actively and deliberately connect with fellow travelers in cognate fields, navigating between the scylla of geocentrism and the charybdis of extra-disciplinary genuflection, and reach beyond the academy to incorporate grassroots expertise and knowledge.

Keywords: Economic geography, geographical economics, geographical political economy

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An analysis of the spatial variation in wellbeing in the Netherlands

The popular use of the term wellbeing usually relates to health, but when used philosophically the meaning is broader (Crisp 2008). Taking the popular and philosophical view together, wellbeing could be described as ‘a state characterized by health, happiness and prosperity’ (Random House Dictionary). Terms closely related to ‘wellbeing’ are ‘welfare’ and ‘happiness’. Essentially, it is possible to measure wellbeing and welfare, when the constituting factors are defined. Happiness is more difficult to measure; it is a state of mind or sentiment, caused by feelings of pleasure, satisfaction and love. It is a subjective appraisal of life-as-a-whole.

In human geography the subject of wellbeing has been a focal subject in the so-called welfare approach which emerged from the radical reaction to the quantitative and model-based preoccupations of the 1960s, which were thought to be insufficiently concerned with contemporary social issues’ (Smith 2000, p. 897). The heydays of the welfare approach are long over. It has merged with other lines of critical inquiry within geography and moreover it was soon realized that the central issues are not exclusively geographical but shared with other disciplines. David M. Smith was one of the prominent pioneers in the approach. The paper will show the spatial variety of different aspects of wellbeing of the Dutch population. For this, we will use a series of maps that picture the eight ‘life situation indicators’ as they are used by Netherlands Institute for Social Research (Sociaal en Cultureel Planbureau SCP). The SCP each year publishes a ‘life situation index’ in which it describes ‘life situation’ as a combination of welfare and wellbeing, that can be described with an index based on eight indicators for a range of ‘social domains’. According to the SCP monitor, the life situation of the Dutch population improved continuously in the past decades. The life situation index for the average Dutch citizen, taking together the figures for the eight indicators, grew from 91 to 104, between 1974 and 2006 (the average score was set at 100 for the base year 1997; Boelhouwer 2010). There are many interesting differences in the life situation development over time, i.e. for gender and age groups, levels of education, labour force position, and ethnicity. Maybe also for regions. In this paper, we will try to find regional figures (on the level of the so-called NUTS-3 or COROP regions) for the 8 indicators that resemble as much as possible the data set used by the SCP itself. The figures are used to produce maps showing the regional variation in 1. home ownership, 2. income, 3. mobility, 4. social participation, 5. health, 6. sports, 7. holidays and 8. leisure activities. In maps nr. 9 and 10 we will place next to each other one map showing the spatial variation in the addition of all eight life situation determinants, and a second map showing the spatial variation in perceived wellbeing or ‘happiness’.

Keywords: Wellbeing, welfare approach, happiness, regional variation

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Promoting the global economy: Towards an economic geography of the investment promotion industry

Stocks and flows of foreign direct investment (FDI) have grown steadily since the second world war. National and subnational governments via their investment promotion agencies (IPAs) have encouraged this growth when seeking the economic development benefits that FDI is presumed to bring. Although in some senses territorially-rooted, these agencies also operate, and have effects, internationally. These bodies sit alongside private actors who promote investment flows: small specialised multinational location consulting and related companies; specialist arms of large multinational legal, accounting and merchant banking companies, and; an emerging array of associations, organisations and professional networks. As a prelude to proposed research, this paper considers questions of how to interpret the quantitative and qualitative role of the investment promotion industry in processes of international economic integration. The geographically uneven development of this industry points to a possible ‘development paradox’ regarding the promotion of FDI in that the industry is most developed in those developed country economies where it is least needed and least developed in those emerging market settings where it conceivably may play a role in reducing the transaction costs facing FDI.

Keywords: Foreign direct investment, investment promotion, uneven development

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Doing evolution in economic geography

Concerns have been articulated recently in Economic Geography for more rigour, transparency and dialogue about the relationships between theory, concepts, method, politics and policy. Here, we seek to contribute and move beyond the consensus that the variant and emergent approaches to evolution in Economic Geography should employ plural methodologies – both quantitative and qualitative – better to engage diversity, heterogeneity and change in the economic landscape. Our aim is to identify some of the thorny issues for doing evolution in Economic Geography: i) clarifying and distinguishing theory and concepts as well as our objects and subjects of study; ii) grasping and assessing whether and how ‘history matters’ (or not) and in what particular ways; iii) operationalising concepts and theories systematically to analyse and interpret meaning from our empirics; iv) developing comparative methodologies and research designs through time, between places and across scales; and, v) divining the relevance of evolutionary approaches for politics, policy and praxis. Drawing upon examples from our ongoing empirical work, we argue that greater openness, substantiation, reflection and engagement is integral to strengthening our approaches to the challenges of theory, concepts, method, politics and policy that confront those researching evolution in Economic Geography.

Keywords: Evolution theory, method, politics, policy

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Rebalancing the economy? The politics of local and regional development in England

A dramatic reorganisation of local and regional development is currently underway in England. Here, we attempt to interpret its politics and emerging shape and significance by using the idea of the ‘qualitative state’ to discern the evolving roles, structures, strategies and practices of states in attempting to resolve the governance of uneven development. First, we outline briefly where New Labour’s ‘New Regional Policy’ had got to by the time of the *Sub-National Review of Economic Development and Regeneration* in 2007. In the wake of a faltering regionalisation and regionalism, this period was marked by a vacuum into which an array of rival ‘spatial imaginaries’ had flowed – including pan-regions, city-regions and localisms. Second, we analyse the national and regional political changes since 2007 that culminated in the election of a Conservative-Liberal Democrat coalition government in May 2010 and their project for public deficit reduction and shrinking the state. Third, we document the politics of this cuts agenda through Ministerial turf wars and the rationalisation within central government departments responsible for regional and local policy. This period has involved the critique and wholesale dismantling of New Labour’s ‘New Regional Policy’ including the abolition of regional spatial strategies, winding up of the RDAs and closure of Government Regional Offices. Last, in the context of the economic downturn and recovery, we examine the coalition government’s emergent strategy for ‘rebalancing’ the economy sectorally (from public to private, services to manufacturing) and geographically in asserting the role of local areas in facilitating private sector growth to narrow spatial disparities in prosperity. We scrutinise the emergent plans for spatial economic policy including the centralisation of functions (e.g. ‘Regional Growth Fund’, business support and FDI) and the localism of the invitation for local authorities and businesses to propose ‘Local Enterprise Partnerships’. Following what has turned out to be a short-lived episode of a particular kind of nationally-oriented regional economic policy between 1998-2010, the emergent spatial economic policy in England appears marked by an uneasy concoction of national aspirations, centralised powers and fragmented localism. In an era of austerity and state rationalisation that is leading some to question the very existence of spatial economic policy, whether such arrangements will be capable of engaging uneven development in meaningful ways appears highly unlikely.

Keywords:

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Does Gibrat's Law for cities hold when location counts?

According to Gibrat's Law, the growth rates of cities are expected to be independent of their sizes. In this study, we hypothesize that growth rates do depend on population size, but that the direction of the relationship depends on location, that is, in unfavorable loci, growth rates are positively related to size, while the relationship is reversed in favorable loci, that is, places with several location advantages. The present study examines that possibility, using 1990-2000 population growth data for two levels of geographic resolution - 4,667 local administrative units (i.e., municipalities) and 2189 contiguous urban areas in 40 European countries. According to our findings, when individual localities are considered, 'proportionate' growth (expected under Gibrat's Law) emerges at the aggregate (system-wide) level, but 'dissipates' when the settlement system is disaggregated into two urban sub-systems, formed by well-positioned localities and poorly positioned ones. Concurrently, for urban areas, a strong positive association between population size and growth emerges both

before and after controlling for location attributes. However, this association between population size and growth is not especially strong, if favorably and unfavorably located urban areas are looked at separately.

Keywords:

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The difference principle? Regions, differentiation and difference machines

This paper argues that due to the endless substitution possibilities open to consumers of cultural products, firms' competitive advantage rests as much upon positionality and differentiation as upon traditional forms of intellectual property such as copyrights and trademarks. However, the construction of positionality and differentiation may entail geographies and milieus other than associated with product origination and creation. The article suggests that existing models of regional growth and innovation systems must, and can, be adapted to fit firms and sectors where competitiveness is not only based on traditional types of intellectual property (such as copyrights or patents) but also differential property (such as marketplace positionality). The idea of regional systems supportive of differentiation (and market positionality) means we must reappraise some of our notions of what constitute supportive regional conditions. To this end the idea of difference engines is presented: a model of regional conditions and dynamics which attempts to be more tailored to industries where intellectual property and differentiation are the core products.

Keywords: Cultural creative industries, differentiation, brand

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The role of mid-range universities in knowledge transfer: The case of non-metropolitan regions in Central Eastern Europe (examples from Hungary and the Czech republic)

The paper focuses on the specific role of mid-range universities in knowledge transfer and explores the knowledge flows from these mid-range universities facing a number of extra constraints in transitional Central Eastern European (CEE) regions. These constraints in the long run impede these less developed regions and their universities to exploit the advantages of global knowledge flows transmitted through global knowledge networks and KIBS based clusters of the relatively most advanced CEE regions. Mid-range universities, very often located outside of the metropolitan regions, represent the keystones of regional innovation systems for the less developed regions where the "density of contacts" is much lower and possible spillover effects emerge more sparsely. The first part of the paper focuses on the types of possible linkages between mid-range universities and industry, and limitations of these relations bringing examples from Western Europe where the position of universities in the collaboration with business sector and their role in the innovation system is quite different from their CEE counterparts. It is mainly due to the different development path of innovation systems and development trajectories in post-communist countries described in the paper. Based on case studies bringing examples mainly from the non-metropolitan regions of Hungary and the Czech Republic the number of constraints, such as the lack of critical mass in their techno-economic systems, the traditionally weaker role of university based experimental researches, the mismatch between the economic and knowledge sectors, the weak regional innovation systems and less intense university–industry links are the major impediments of knowledge transfer. The paper argues that ambitious university-based developmental models have to be revised in Central Eastern European Countries (CEECs) and the future role of universities has to be reconsidered as potential engines of local economic development from a more realistic perspective. The paper also argues, that the regional techno-economic system needs to achieve a certain degree of maturity in order to be able to determine the foci of a research and innovation-oriented regional development within the reindustrializing CEE regions and makes policy recommendation for the mid-range universities to take on new role, which means a stronger regional engagement in also medium-tech innovations and in social and organizational innovation.

Keywords: Knowledge economy, universities, knowledge transfer, Central Eastern Europe

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Exploring the spatial variations of ethnic diversity and socio-economic characteristics in Peninsular Malaysia

Malaysia is a multi-racial country. Like many other multi-racial countries, issues related to racial integration, diversity and segregation are among the major issues faced by the country. These issues have their roots during colonial times. During the British colonial period, the Malayan population, either directly or indirectly was segregated by localities. The Malays were concentrated in the rural areas, the Indians in the rubber estates and the Chinese in the tin mining and town areas. The racial concentration and imbalances continue even after the independence. This situation has created tension among the races, and led to the racial riot in 1969. To minimize this problem, the Malaysian government has formulated the New Economic Policy (NEP) in 1970 with two major goals: to eradicate poverty and to restructure the society. In addition, the government had also implemented numerous economic and regional development policies/strategies to reduce the socio-economic inequalities among ethnic groups and regions. Much has been written and research about the structural impacts of this policy, but very little (if any) has been written on the spatial impacts of such policies. The purpose of the study reported in this article is to assess the achievement of the country towards creating a more diverse society and its relationship socio-economic characteristics. The major hypothesis is that the more diverse the socio-economic characteristics of an area the more diverse will be its ethnic composition. Ethnic and socio-economic diversities were calculated using the Entropy Index, while geographically weighted regression (GWR) was used to explore the spatial variations between those variables. The results indicate that the hypothesis stated earlier was not necessarily true. Some areas experienced strong relationship between ethnic diversity and socio-economic characteristics, while some did not. This result implies that different areas require different strategies to improve the ethnic diversity in those areas.

Keywords: Ethnic diversity, socio-economic characteristics, geographically-weighted regression (GWR), Entropy Index, Malaysia

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Assessment of climatic models for land use of sport tourism in Roudsar, Glian, South western of Caspian Sea

Climate of Sport tourism in Roudsar Gilan has been studied with uses of Baker Index, the equivalent temperature index of physiology and Kay & Vamplo model. To evaluate these methods mean monthly temperature, relative humidity, rainfall, vapor pressure, wind speed and cloud cover five meteorological stations Ramsar, Hratbr, Kakroud, Aspele and statistical Shlman during 10 years (1996-2005) were used. The study of climate conditions for tourism, sport and determine optimal time for exercise is attracting tourists. The results of research showing aspects of the study area by months in June, July and September is suitable for sport tourism activities with human bio climate comfort conditions. In May and October are also mild stresses. The research results are expected with the authorities in order to properly plan for economic development, increase income and increase employment area should help to favorable conditions for tourism, sport, tourism and leisure focus population for future use in sports media in natural environment is provided.

Keywords: Tourism, sports tourism, climate comfort, Rudsar

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Economic geographies of global governance: Rules, rationalities, and 'relational comparisons'

This paper begins with mainstream media accounts of the G8/G20 meetings in Toronto as a window on the dialectics of the reception and production of global governance. The stories that circulated about the G8/20 in Toronto newspapers provide an occasion to tease out a range of epistemological approaches that economic geographers are currently taking to the issue of global governance. Three lines of distinct but overlapping questioning can be identified. First, what modes of regulation are institutionalized through such venues as the G8/G20, what forms of accumulation do they facilitate, who are the primary agents and beneficiaries of such arrangements, and where are the greatest points of contestation and flux? Second, what kinds of governmental technologies and subjectivities are advanced by neoliberal global governance regimes, and how have these practices and discourses expanded capitalist power relations into new areas of social, political and biophysical life? Third, how do global governance regimes articulate local social histories in particular space-time conjunctures; in what ways, that is, does place matter for the formulation and practice of global governance?

The paper sketches a typology of these lines of questioning—characterized by their genealogical derivation from the Marxist French Regulation School, Foucauldian governmentality studies and Gramscian studies of articulation, respectively. Given the anti-colonialism rubric through which social movements converged to protest the G8/20 and to stage an alternative People's Summit, the paper probes in particular how these

epistemological framings might productively engage the cognate field of critical development studies—and its explicit orientation to perspectives on global governance from the global South, postcolonial theory, and transnational feminism. The chapter concludes by considering the implications of the favored ‘articulation’ approach for building a praxis of critical reflexivity within the academy.

Keywords: Global governance, regulation, governmentally, articulation, critical development studies

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Gendering fashion, fashion fur: The reproduction of a gendered industry In Montreal, Canada

The Montreal Fur Industry has sought to revitalize itself through a greater incorporation of fashion design within the production. The integration of fashion is viewed as a strategy to position products as contemporary and innovative, rather than staid and traditional. However, there have been serious limits to the implementation of this strategy. This paper draws on interviews with manufacturers and designers in the industry (2008-2010) to explore these limits. In particular, the paper will examine how the gender divide in an industry where most fashion designers are women and fur manufacturers are men is being reproduced both materially and symbolically. It is reproduced materially in terms of the labour market structure and the position of designers within it. And it is reproduced symbolically in terms of the representation of fashion – i.e. the practice of adopting an ever-changing style – as ‘feminine’ in an industry that has long prided itself on craft and convention.

Keywords: Cultural industries, gender, fur, Montreal

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The rise of a new knowledge economy and the prospects and challenges for economic development

The late 20th century marks an epochal shift in capitalist development within Western advanced economies. This shift is characterized by the increasing move from material labour – the manual production of things – to immaterial labor – the production/creation of new ideas. Due to heightened competition and the automation of routine production activities, creativity and the generation of new knowledge are now viewed as key resources for firms wanting to distinguish their products in a global marketplace. The premium placed on these activities today has implications for the nature and organization of work and the kind of worker that is valued. It also involves new ways of thinking about what drives economic development, and how governments can (try to) manage the process. In this presentation, we consider the basic features of the transition to a knowledge economy, we review different perspectives on what gives rise to such an economy and critically assess the implications of these perspectives for new labour market patterns and urban-economic revitalization strategies.

Keywords: Knowledge economy, cognitive-cultural economy, creative class, human capital, economic development

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Local rules, global reach? Marshallian geographies of patent litigation

Much of the economic geography literature on patents has emphasized the places and processes where novelty is produced. Yet as the knowledge economy evolves to assign increasingly higher valuations on these intangible assets, a company’s patent portfolio is only as strong as its ability to defend it. In this state of affairs, geographers interested in patents must look not only to the lab, but also the courtroom. This paper considers one unique but significant site of patent litigation. Its purpose is to illuminate why Marshall, Texas, a town of 25,000, is home to the busiest patent docket in the United States outside of Silicon Valley. Through interviews with key informants and analysis of court documents, the paper examines the peculiar ecology of local and global actors who combine to produce Marshall’s unique but contested brand of justice in patent lawsuits. The phenomenon of judicial venue shopping, of which Marshall is such an infamous case, raises important questions about geographies of justice. Indeed, instead of being blind, justice for patent infringement cases that take place in Marshall seems all too predictable. Not surprisingly there is something ‘in the air’ in Marshall, TX that evokes Alfred Marshall’s theory of industrial atmosphere. Specifically Marshall’s combination of small-scale law firms who dominate the local market for patent-related litigation, local judges’ rules for trial procedures, and local jury attitudes towards property rights are all features that make it such a popular if potent forum for deciding patent cases. As legal teams representing some of the biggest technology firms in the world descend on Marshall, they much contend with these institutional norms that over time have produced a reliably high success rate for plaintiffs. As a result, a legal discourse that draws upon a politics of scale has emerged as primary tactic used by defendants to challenge the legitimacy of Marshall’s judicial reach over questions of industrial novelty.

Keywords: Knowledge, patents, litigation, legal services, local rules

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Open adoption: Using collaborative innovation to accelerate the implementation of new medical technologies

The health care sector clearly illustrates the contrast between the scientific foundations of medical research and the social foundations of innovation adoption. Research in the (bio)medical sciences advances rapidly, yet the adoption, implementation and diffusion of emerging medical technologies is generally much slower. This has negative consequences for the cost, quality and equality of patient care, as well as for the government authorities responsible for delivering this care. Especially at a time when many countries are trying to cope with aging populations and rising health care costs, these realities raise a critical question for the management of technological change: How can the adoption process be accelerated? Research in economic geography, innovation studies and industrial dynamics offers one promising line of inquiry. In these fields, scholars increasingly view the innovation process as open, distributed and collaborative. This research demonstrates that interaction between producers, users and other stakeholders leads to new sources of innovation. Moreover, collaboration ensures a degree of market interest and readiness. Using this perspective, collaboration between multiple stakeholders becomes an organizational form that supports the adoption process. As collaboration requires communication that transcends institutional boundaries however, successful implementation is easier said than done. In addition to patients and physicians, other actors such as scientists, regulators, hospital administrators, manufacturers, patient organizations and payers also play important roles. Yet each of these stakeholders is embedded in a community with distinct incentives, rules, timelines, and readings of 'evidence' and 'value' of new medical technologies. As a result, the key to solving the speed-of-adoption problem, improving the quality of care and generating new sources of regional advantage, lies in creating the conditions for effective communication and collaboration between stakeholder communities. This paper draws on a series of case studies of novel organizational arrangements that promote this form of collaborative dialogue in the Swedish health care system. By selecting cases at various 'bottleneck points' along the path from invention to implementation, we investigate shifts in the range of stakeholders that are involved, and their ability to influence the innovation process.

Keywords: Innovation adoption and diffusion, collaborative innovation, institutional change, medical innovations and health care systems, Sweden

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Environmental upgrading in the Indian automobile industry

With an annual growth rate of more than 20 percent, India has emerged as one of the most dynamic automobile markets worldwide. This makes it attractive for global players like Ford, General Motors, Hyundai, Toyota and Volkswagen, who also want to gain their share of the market. Local automotive component suppliers have frequently been able to achieve technological upgrading by collaborating with these international players. Furthermore, a "greening" of supply chains has been also linked to the influence of multinational companies or the integration of local suppliers into global value chains. This tendency towards more environmental protection has also become noticeable in the Indian automobile sector. However, the decisive impetus is often not given by international lead firms. Using the concept of Global Value Chains (Gereffi et al. 2005), this contribution aims to identify coordination mechanisms in the automotive value chain, strategies of different actors and chances for environmental upgrading in the Indian automobile sector. It draws on findings from over 60 qualitative interviews with Original Equipment Manufacturers (OEMs), different component suppliers and industry experts held in 2009 and 2010. Results show that Indian manufacturers are presently the more crucial players to drive "green" supply chains than international players. On this account, the debate on greening of supply chains seems to be led too much from a western perspective. Rather, it appears that environmental upgrading processes are increasingly successful and independent of western OEMs; in fact, they are often initiated and implemented by local key players and lead firms.

Keywords: Environmental upgrading, India, Global value chains

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The location and spatial networks of the internet display advertising industry

The internet advertising industry is defined as the industry that skilled workers with original and creative ideas and knowledge produce the intangible digital contents as internet advertising, and is regarded as a knowledge-based service industry. The purpose of this study is to understand the spatial feature of knowledge-creative networks among actors of, especially, the internet display advertising industry in Korea with the development of information communication technology (ICT), and to analyze specific location factors of this industry. This study also focus on the spatial implications how the change of information transfer forms with the appearance of the internet as a representative of the development of information communication technology affects to actors' networks and spatial system that create knowledge and innovation.

Keywords: Internet, advertising industry, knowledge creation, network, spatial proximity, relational proximity, trust

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Information technology and the knowledge economy in France's rural areas: Firms, networks, and regional development

An important rhetoric has flourished around the opportunity given to rural regions by the emergence of advanced information technology (IT) and the digital economy. Peripheral areas face a structural penalty due to low density and remoteness from main business cities and markets. However, since the advent of the Internet, digitization and vertical disintegration have favored the geographic disintegration of value chains. A share of IT-enabled services has migrated to India and other low-cost, offshore destinations. But many small and medium firms located in rural areas – sometimes called "Lone Eagles and High Flyers" – have grown on this market. With traditional sectors often in decline, pundits and policy makers regard telework and various kinds of remote processing as a golden opportunity for the broadening and the strengthening of a sustainable economic base. The use of IT by rural companies has been the subject of a substantial literature. But existing studies suggest little evidence of a possible "geographic bias" in IT-related uses and organizations (with the exception, may be, of broadband telecommunications, whose availability is spatially uneven). Rural firms which seek to overcome the tyranny of distance are expected to make an intensive use of such "distance-annihilating" technology. However, if significant differences are found between rural and urban ways of doing IT-enabled business, it must not be asserted that geography is a causal factor. The size or sector effects could be the actual explanation. To counterbalance this bias, the present research built two samples of firms in carefully-chosen business sectors which trade mainly intellectual content: editors, computer services, engineering, architecture, graphics, design, advertising, translation, secretarial work... One sample is located in south-east France's rural areas. A "mirror" sample was selected in the metropolitan area of Lyon (1.5 million inhabitants), which is an archetypal European business city. The two samples have the same distribution in terms of company size and business sectors. The quantitative analysis relies on a telephone survey. 400 rural firms and 200 urban firms were asked about IT-related business practices (telecommunications, web and videoconferencing, telework...) and the way information technology impact their geographic organization, with a particular scrutiny on their relation with clients, partners and service suppliers. This work aims at identifying the best practices of distant communication, which might help firms to widen their scale of operations, to raise their competitiveness, to innovate, and to increase the size of their market.

Keywords: Rural areas, local development, information technology, digital economy, business services

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Exploring sub-national geographies of trade and wage inequality in the United States

Wage inequality in many older industrialized nations increased markedly in the last thirty years. Over more or less the same period, import competition from less developed countries has intensified. Classical trade theory links these trends. Numerous labor and trade economists have explored the relationship between trade and wage inequality, most finding a weak statistical association and then falling back on skill-biased technological change to explain the relative rise in wages of high-skill workers. Older empirical accounts of the impact of trade and wages are suspect for several reasons. First, they fail to account for worker and firm characteristics that influence wages. Second, they use poor proxies to distinguish skilled and unskilled workers. Third, they search for trade impacts between industries rather than within them, and so miss the fragmentation of much production and the offshoring of an increasingly large range of intermediate goods. Fourth, they do not capture the rapid rise in imports from China that began in the early-1990s. We seek to remedy these problems using microdata from the U.S. Bureau of the Census. We link individual import and export records to firms and their establishments, we capture the characteristics of those firms and we match individual workers to those same firms. For some of these data we construct annual panels of workers and firms from 1992. For the first-time, we offer detailed accounts of trade by industry and by region. These regional accounts allow us to examine the impact of trade on regional labor markets across the United States. We report regional variations in import competition over time and across industries. We use these measures of competition to re-examine the link between trade and wage-inequality, and we do this by region and at the national level. For many firms we have complete records of the workforce and the wage distribution. We explore how trade might be related to changes in the distribution of wages, to job-loss and plant closure. In all cases, data are screened to ensure that no

confidential information is reported.

Keywords: Wage inequality, trade, linked microdata

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Economic geographies of development: USAID and the world of development contractors

This paper considers the intersections between economic geography and development studies. In particular, it presents an examination of development as a set of practices and projects, and show how the quotidian business of development seeks to construct, quite literally, economic geographies that have much continuity with earlier eras, even as they evince new aspects associated with the centrality of neoliberalism to development and with contemporary geopolitical configurations. One component of development is foreign aid. Foreign aid development-in-practice may be conceptualized as a set of networks and flows. Key network elements are contractors (firms, NGOs, individuals), contracts and procurements, and key flows include capital, knowledge, and people. Official foreign aid agencies have come in for criticism for their reliance on contractors and there have been persistent calls for reform in order to facilitate greater “ownership” by host or recipient country governments of foreign aid projects. The empirical focus of this paper is on the rise of the development contracting regime in US foreign assistance through an exploration of USAID contractors and specific projects. This paper is a preliminary attempt at tracing the foreign aid contracting regime and its geography. In part this entails identifying and mapping the networks and flows, with the overall aim being to take steps toward building a critical geographical understanding of a significant facet of development-in-practice.

Keywords: Development, networks, flows, foreign aid

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An analysis of regional warming at Shiraz Station, Iran: Implications for human comfort and tourism attraction

Population increase and the accelerated utilization of fossil fuels are undoubtedly major factors causing environmental pollution and the widely publicized global warming. There seems to be international consensus that current global warming is responsible for the increased frequencies and severities of droughts, floods and accelerated changes to the Earth's cryosphere. However, equally as pertinent are concerns that such global warming is, and will have, increasing impacts on both indoor and outdoor thermal comfort levels and human health. The aim of this study is to examine the effects of global warming on thermal comfort levels within outdoor ambiances in Shiraz, Iran. This is particularly important in the context of Shiraz as a popular spring tourist destination. The long-term (55-years) temperature changes are investigated over the period 1952–2006, as also for each of five 11-year periods. The comfortable climate situation was determined for each period using the Evans' Comfortable Climate Method and then projected for the next 5 years (2007-2011) by means of regression analysis. The results indicate meaningful temperature increases by 0.61°C per decade. It is apparent that mean monthly minima are increasing more rapidly (by 1.07°C/decade) than mean monthly maxima (by 0.24°C/decade). In addition, it is found that the months experiencing greatest warming of day-time temperatures are May and October, which fall within the primary tourist seasons. Further implications for accelerated warming, particularly during spring (May), is that it impacts on plant growth, agriculture and vegetation cover. Findings indicate that the months of June, July, August and September are within the hot period of uncomfortable living, whilst December, January and February fall within the cold uncomfortable period. Although months during spring (March, April, May) and autumn (October, November) currently constitute comfortable living, the projections suggest that such months may eventually become uncomfortable due to rising temperatures associated with Global Warming. It is thus anticipated that ongoing temperature increases will escalate indoor energy consumption through air conditioning systems.

Keywords: Global warming, Tourism, comfortable climate, Evans' model, Shiraz

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Governance of shrinking cities in Central European context: The case study of Ostrava's economic development

In our paper the outcomes of the research project “The governance of Shrinkage within a European Context” will be presented. Urban shrinkage has become a new normality for a growing number of European cities and urban regions. About 40 per cent of large cities in Europe have lost population during the last decades, many of them in the post-socialist Central European countries. Shrinkage is a result of different but strongly interconnected processes such as uneven economic development and peripheralization, demographic change and suburbanization. In effect, cities have to struggle with decline in labor force, job offers, in investment, with

underused infrastructure or housing vacancies, as it has been in the case of East German Cities. Our aim is to analyze the causes of shrinkage in Central European Cities in the period 1990-2010 and describe the consequences of the process of urban shrinkage for policy making. The main outcome of this paper will be analysis of governance systems for the adequate policy responses induced by shrinkage. The object of our case study is the old-industrial city of Ostrava, in Central Europe, Czechia. This city has been hit by shrinkage process since 1990 after the beginning of societal transformation, of adjustment processes to (west) European framework conditions. In 2000s a lot of policy measures have been taken to tackle the challenges of shrinkage (depopulation, selective out-migration and “brain drain”, ageing, loss of attractiveness, social polarization and segregation) such as economic development support, which we will focus on.

Keywords: Governance, shrinkage, economic development, Ostrava

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International takeover premiums, investor protection and target shareholder structure revisited

In Mergers and Acquisitions, firms are sold with a premium on top of their prevailing share price. Bid premiums offered by the acquirer in acquisitions of public targets differ substantially depending on the target's location. The Bloomberg M&A 2010 report (Bloomberg, 2010) documents that average deal premiums in the North America have been ranging between 20% and 60% over the recent years while mean premiums in Europe seldom exceeded 30% and have been as low as 15%. The anecdotal evidence among M&A practitioners is indeed that the highest takeover premiums are routinely offered in the Anglo-Saxon markets. Research evidence on the heterogeneity of bid premiums seems to support this notion. Rossi and Volpin (2004) find takeover premiums for targets in the US and the UK to average at 44.3% and 45.8%, respectively. The mean bid premium in Europe on the contrary is only 33.9%. Similarly, Alexandridis et al. (2010) document target announcement returns and bid premiums to be significantly higher in the US, the UK and Canada than elsewhere. Despite substantial work on the market for corporate control, research on the reasons for this huge difference is surprisingly scarce. Rossi and Volpin (2004) suggest heterogeneous levels of shareholder protection across countries to be a driver for differences in average bid premiums across countries. We analyze 3,361 acquisitions between 2000 and 2009 in the US, the UK and Europe. We find that compared to mean premiums in continental Europe, average premiums are 12.5 percentage points higher for US targets and still 6.7 percentage points higher for UK targets. Controlling for deal and target characteristics, the difference between UK and continental European premiums disappears. However, the higher premiums for US target are robust and neither caused by differences in investor protection nor by higher competition on the market for corporate control. If we explicitly consider the target's shareholder concentration, we find that premiums for widely held targets are not different between the countries. In line with what literature suggests, premiums fall with rising ownership concentration in Europe, but do not so in the US. This hints at a different shareholder composition in the US and in Europe.

Keywords: Takeovers, premiums, international differences, international financial systems

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Drinking water as a limiting factor for the development of Siberian cities

The supply of population with qualitative drinking water is major among other current global ecological problems (i.e. climate change, ozone layer depletion, salinization and erosion of soils, the ocean conservation), since water plays the important role in the biosphere development. Effecting directly or indirectly on living conditions and human health, water resources determine the epidemiological situation in the region. According to expert appraisals, the damage from consumption of drinking water of poor quality is comparable with the loss caused by natural disasters, starvation and other global factors. Indeed, the urban territory development is limited, and to maintain a city's functioning, it has to use water resources from the adjacent areas much larger in size. Moreover, at least two sources of drinking water must operate to ensure ecological safety of the city. Note, that surface water objects are predominant sources of household water supply in most urban ecosystems. Based on the indices of urban population size and production specialization as the starting point for stabilization of ecological balance of urbanized natural-economic systems of Siberia, the evaluation of demographic capacity of the territories was performed. To do that, the N.V.Maslov method (2003) for evaluation of particular capacity index by surface water resources availability was used. When making calculations, low-water flow in the reservoirs and waterways suitable for water intake, average daily consumption rates for municipal water supply as well as industrial and economic activity factor (at water-retaining production (water consumptive enterprises), this coefficient is maximum) were considered. The estimation made it possible to establish the allowable (or critical) population size (fig.) depending on the public, household and industrial water needs:

- currently, in metropolitan areas Omsk and Novosibirsk the allowable population size has been exceeded already; their further development is limited by the availability of qualitative drinking water taken

from surface water objects;

- towns Tomsk and Biisk come up to critical population size because of water-retaining production and the absence of alternative sources of water supply;

- machine-building center Rubtsovsk and agrarian town Aleisk have to use groundwater as a source of drinking water supply because of lack of surface water objects of sufficient volume and high quality;

- Barnaul and Kamen' - on -Ob' have prospects for further development, since they are situated on the large Siberian river, i.e. the Ob' with large low-water flow that significantly exceeds water intake made for domestic and industrial needs.

It is planned that the assessment of demographic capacity of Siberian towns and cities and the extension of cities' list and limiting development factors are to be continued.

Keywords: Water resources, demographic capacity, urban ecosystems, population size, water needs

Alvaro Sanchez-Crispin, National Autonomous University of Mexico. Email: ascrispin@yahoo.com; Enrique Propin-Frejomil, National Autonomous University of Mexico. Email: propinfrejomil@yahoo.com; *Tourism and the new territorial configuration of the Mexican economy: Between optimism and the crudeness of reality*

The aim of this presentation is to examine the insertion and prevalence of the tourism economy within the context of the new configuration of the Mexican economy, in view of the expansion of illegal activities all over the country in recent years. We start from the consideration of the territorial structure of the national economy as it was at the beginning of this century, revealed by our synthetic map published by the Institute of Geography of the National Autonomous University of Mexico in the late 1990's. In the last five years, such structure has changed significantly as a result of belligerent and violent actions, from the part of criminal groups whose main objective is to dominate territories and control the drug trading routes to the big consuming market in the North. As a result of this process, several regions in the country have suffered a crude transformation of the original economic-geographical space revealed, among others, by the abandonment of towns, the closure of industries, the desolation of formerly successful agricultural lands and the bad perception many international tourists may now have about Mexico as a tourist destination. While the Mexican government is optimistic about the future of the national tourism economy, and has implemented different actions to keep the level of international arrivals around 20 million per year, via the promotion of the country as a safe destination and the declaration of the year 2011 as the year of tourism in Mexico, the truth is that many traditional tourist spots (mainly at the northern border with the United States, such as Tijuana and Ciudad Juarez, and seaside world-class tourist places like Acapulco and Mazatlan) have witnessed a descent in the number of arriving international tourists in the last five years. As a result of the abovementioned aggression and violence, the configuration of the territorial structure of tourism in Mexico is going through a phase of contraction, as shown in several regions of the country. In contrast, other major tourist destinations that in the recent past were considered unsafe, as is the case of the national capital, have gained in this new dynamics of the Economic Geography of the country.

Keywords: Mexico, tourism, territorial structure, illegal economy

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Social and economical history development features in Mongolia and its trend in the future

This paper presents to determine Social and Economical development in Mongolia within the periods of 1960, 1980, 1990 and 2010 based on several criteria of Social Geography and to report the results. Hence, Mongolia developed under Social system with central planning systems between 1960-1990, it transformed to the market economy in 1990 and this reform gave an opportunity to make new turn in Social and Economical development in Mongolia. Therefore, the development is determined by features of population settlement, service geography, education and health as criteria of social geography and mine of mineral as criteria of industrial, especially, mining and enriching industries and their location, resources and capabilities. The Government Policy of Mongolia indicates that its main approaches of economic development would be based on mining development. Therefore, final results of the research will encourage to define development models in Mongolia, to evaluate these models by main factors of social geography and to reveal successful development and convenient relation of industrial territories.

Keywords: Population settlement, service geography, social geography, criteria, market economy

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Uttarakhand state ranks poor among the states of Himalayan Kingdom. The perceptions on its poor status in economy and development was due to duo factors i.e. fragility of terrain and lacking rational policies and planning for at least five decades as it was ruled by the Uttar Pradesh State after independence. The argument beside this perception was that the Government of Uttar Pradesh neglected the development of this hilly region due to its vastness and similarity in policies for hill and plain regions. Furthermore, the fragility of terrain and high presence of natural hazards reduced the intention of planners towards framing and implementation of rational development planning. Natural hazards such as cloudburst, debris flow, landslides, mass movement, flash floods, and earthquakes are very common phenomenon. This led slow pace in economy and development. Similarly, industrial development could not take place. As the climatic conditions vary from sub-tropical to temperate, alpine and cold, it represents rich agro-ecological conditions thus suitable for land

based resources development. The development sectors such as construction of hydropower projects for electricity generation, eco-tourism, cultivation of cash generating crops (fruits of different kinds, off-season vegetables and medicinal plants) and collection of forest based non-timber products, have the potential to raise the regional economy through their optimal utilization. A landmark event took place in November 2000, when earlier the hilly and neglected part of Uttar Pradesh State got statehood as Uttarakhand State. Immediately, mushrooming hydropower projects in all corner of the state initiated. Meanwhile, several schemes for development launched. This paper examines economy, development, and environmental conditions in the Uttarakhand state and suggests framing and implementation of rational planning for sectoral development through sustainable utilization of land based resources. Data were gathered from five-year plans to know total outlay given to the state, from educational directorate to understand the level of education and infrastructural facilities. Data related with environmental conditions, suitability of agro-ecological conditions and natural hazards were gathered from the records of District Statistical Dairies and personal observations after routinely field visit.

Keywords: Economy, development, fragile, agro-ecology, hydro-electricity, Uttarakhand

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Post-Soviet ethnic labour migration patterns in Russia

Currently, the most notorious migration process in Russia is a massive inflow of the labour migrants from the former Soviet republics dominated by non-qualified workers from Uzbekistan, Tajikistan, Kyrgyzstan and Ukraine and directed mainly to the capital towns, large regional centres and boundary areas. In experts' opinion, every second or third migrant has no work permit, which leads to their systematic abuse and over-exploitation by the employers and local administration. In response to this situation ethnic migrants form networks of local compatriot communities centred around those who already have some standing in Russia, like possessing a citizenship and/or a network of social contacts, i.e. the means to help newcomers in finding jobs, accommodation and some kind of legal (or illegal) shelter and support. There are four major ethnic groups of ethnic labour migrants in Russia:

1. Armenians and Azerbaijanis who have long-established migration links with Russia. Some of them already hold Russian passports and harbour no intention of moving back to their native country, nevertheless sustaining close ties with the relatives back home, some of whom in their turn migrate to Russia with intention of settling there. Many in this group come from urban areas, are well educated, speak good Russian and hence are rather competitive in labour market finding occupations in construction, small-scale trade, communal service, driving.

2. Temporary migrants from major ethnic groups of Central Asian countries typically come from rural areas, lack high education and speak poor Russian. Most of those leave their families behind and come to Russia with the chief purpose of earning enough money for meeting long-term needs back home, e.g. purchase of real estate, payment of education fees for the children, provisions for wedding celebrations, etc. They typically have no Russian citizenship and no intentions of settling. Male members of this group find jobs in construction and public utilities maintenance, while women get employment in domestic service.

3. Migrants from Ukraine, Belorussia and Moldova who are typically in excellent command of Russian have the most diverse social background and hence find occupations within a wide range of jobs. Dominant male profession in this group is construction worker and driver, whereas most women work in small-scale trade and domestic service. Highly qualified specialists often seek Russian citizenship.

4. Representatives of the Korean Diaspora from Central Asia compose a small group of seasonal migrants widely dispersed in rural areas and specialized in family-run production of cash crops (vegetables and salad greens) on leased farmland. Hard-workers themselves they often employ non-qualified Russians and migrants of other ethnicity. The most successful families within this group consider settling in Russia in future.

Keywords: Migration, ethnic labour migrants, Russia

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The global economic crisis as leverage for emerging regional growth paths in China? A comparison of tentative evidence from the three major economic regions

Despite having been hit quite severely by the economic crisis in late 2008, the Chinese economy has gained unanticipated momentum in the course of 2009 and 2010 putting the country at the forefront of global economic recovery. This paper tries to move beyond macroeconomic accounting by exploring the short- and long-term structural effects of the crisis at the sectoral as well as the regional level. Two partly conflicting hypotheses are proposed: (i) due to the massive stimulus package and the competitiveness of Chinese enterprises the economy is emerging from the crisis "just as before"; (ii) the crisis is an opportunity for comprehensive structural change and enables the breakthrough of previously designed policy measures. Without diminishing

the undeniable impact of the fiscal package, the second hypothesis will constitute the guiding hypotheses for this paper. The conceptual part is based on Simmie and Martin's (2010) regional resilience framework and elaborates on what basis we can expect the impact of the crisis to differ depending on the sector, the technological level, and market orientation of the firms in question. Since the three major economic regions of China have distinctive characteristics with regard to these factors, regional differences of the crisis effects are expected. Moreover, the study goes beyond a mere analysis of economic performance by looking at the impact that the economic crisis may have had on the technological foundations of future growth paths. In summary, it finds that, firstly, the public fiscal package has had a major impact on the pattern of recovery that continues to obscure our view on deeper-reaching structural changes prompted by the crisis. Secondly, however, it finds clear evidence suggesting that post-crisis growth in China will depend on low-technology and export-oriented industries to a lesser extent than before.

Keywords: Economic crisis, regional development, technological upgrading, innovation system, China

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Creating synergy by co-leadership and visionary thinking about location and management

Jones (2002) sees the 'global city' misconceived discovering the myth of 'global management' by making the international manager or "change agent" his subject, whereas the multinational firm in the global city network the object of his study. Due to globalization corporate leaders of MNEs are facing strong competition. Leaders are under pressure to ride out global recessions, global financial crisis, and setbacks of their company in the global network, global economic crisis and fraud. This article discusses how therefore leaders could rethink traditional approaches of competition about leadership with in a long-term more successful networking behavior and a transcultural co-leadership approach that suits also demands of the local business community. Within the center of our analyses stands a case study survey of two international managers who succeeded doing business with a co-leadership approach in first-tier global city Tokyo. Three important components such as mutual cultural adjustment, preferably combined preferences and open information sharing through an appropriate networking behavior will be introduced that enables global leaders to create synergy in a intercultural workplace. Evidence also comes from the research object, the co-leaders of a financial multinational corporation based in Tokyo who will comment the empirical evidence introduced and argue that "Geocentricity" is a trend whereby multi-national companies adhere more tightly to the demands of geography and allocate more resources and more decision power to some of their overseas units. They view it as a result of a deliberate decision, based on the experience of previous failures, or a decision forced by external factors, such as changes in the balance of economic weight or changes in the regulatory environment. It is a balancing factor to blind globalization and, as such, can be considered as the international extension of the principles of corporate governance. They observed a trend to geocentricity presently gathering much momentum in the financial world. In conclusion, global leaders need to seek constantly to integrate with the global business community meanwhile being commitment to promote their local business and perform well in the local market. The co-leadership approach introduce here might help global leaders to re-think how they can build relations with global and local actors in purpose to create positive futures for their globally interconnected company and the local business community in which they use to work.

Keywords: Acculturation, preferences, networking, business ethics, geocentricity

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Eco-industries and green growth: The new mantra for regional development?

Over the last decade, state authorities and development agencies in numerous countries and regions have identified so-called eco-industries as being one of the potential drivers of economic restructuring and sustainable growth. It is also highlighted the Agendas of international bodies such as the OECD's 2010 Innovation Strategy, or the European Union's 2008 Action Plan for sustainable consumption and production and sustainable industrial policy. In this context, a rapidly increasing number of national and regional development strategies are explicitly bidding both on the growing international demand and export opportunity for environmental technologies and services (= external perspective) as well as on the positive local trigger effects of these often innovation oriented and knowledge intensive businesses (= internal perspective). Given the almost inflationary diffusion of these development strategies in Europe, the paper compares case studies from seven countries (Austria, Germany, France, Luxembourg, The Netherlands, Sweden, Switzerland) and discusses the dynamic of the domestic industries and their often supposed pioneer advantages at the global level. Furthermore, it analyses the implemented development strategies and questions to what extent mimicry occurs, similar to what could be observed in the past in industrial policies regarding other emerging key industries (e.g. the ICT sector and the worldwide spread of "Valley"-type cluster initiatives). Based on these findings which are mainly drawn from a larger research project recently conducted for Luxembourg's Ministry of the Economy and

Foreign Trade, the paper discusses potentials and shortcomings of these single industry strategies. From an institutionalist perspective, it seeks to identify the scope and the limits of regional or national development approaches in the context of a highly internationalized market. The role of public subsidies and protectionist approaches will also be illuminated.

Keywords: Greening of industries, sustainable regional development strategies, Europe

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Gender geographies in rural areas: Findings from Germany

This paper calls for the broader recognition of gendered topics in economic geography with a particular focus on rural areas. A review of the current literature in economic geography reveals an underrepresentation of these issues in the scientific discussions. The importance of a gender sensitive approach is exemplified with a discussion of the gendered employment rates, share of part-time employment, gender pay-gap and business start-ups in Germany. Therefore statistical data on the county level is used, especially the so-called gender-index, a measure concept for equal opportunities. The most remarkable regional division regarding employment rates of women is between eastern and western Germany. Even 20 year after the reunification, a tradition of female full-time employment and public daycare stemming from the socialist economy in the former GDR still persists in eastern Germany. This contrasts with a traditionally large share of female part-time employment in western Germany. Additionally a south-north divide can be observed stemming from the different type, structure and time of industrial development in the past. Rural areas show a higher rate of female employment than the larger cities. Within metropolitan areas the female contribution to the household income is lowest in suburban areas, supposedly because here the traditional role model with a male breadwinner still dominates. Concerning business start-ups the percentage of women in the national average lies at 31%. The majority of business start-ups are realized by women in the cities closely followed by the rural areas in western Germany. The underlying causes of these regional differences will to be discussed, keeping in mind the specific economic and demographic structure of the respective regions. The paper closes with suggestions in how far a gender sensitive approach can deepen the understanding of economic processes in rural areas.

Keywords: Gender, rural areas, employment, business start-ups, Germany

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Spin-offs, local knowledge diffusion and cluster policy

Spin-off entrepreneurship continues to attract significant attention from scientists and policy makers alike. This is understandable as spin-off firms have an intrinsic advantage over other start-ups in that they have an embedded link to a parent company. Through this embedded link spin-off firms have an 'easy' access to resources for production which has several interesting implications. Firstly, spin-off firms seem to outperform other entrants on at least some aspects of success including employment growth and survival chances. Secondly, they play a key role in the development of clusters. Spin-off firms tend to locate close to the parent company and if a few spatially concentrated companies spawn many successful spin-offs an industry cluster may emerge. Thirdly, spin-offs are thought to play an important role in the diffusion of knowledge to other firms leading to local, regional and national innovation and productivity growth. Most research and cluster policy efforts about (university) spin-offs are inspired by this aspect of spin-off entrepreneurship. Although there has been a steady stream of studies addressing the three broadly defined fields sketched above, important issues remain unresolved. Most importantly, there is still work to be done in *identifying exactly what it is* that spin-off entrepreneurs take with them from their previous employer and how this affects their location decisions, innovative behavior, business strategies and performance; and ultimately their contribution to regional economic development. These issues can be addressed by taking a micro-level perspective on spin-off formation and the nature, duration and effect of the relation between spin-off and previous employer. This paper therefore attempts to conceptually open up the 'black box' of *inheritance* of structural, strategic and performance characteristics between spin-offs and their previous employers. The passing of characteristics from parents to offspring, called heredity in biology, is the basis to study the 'phenotype' of spin-off firms representing its observable features. The results of our study on these micro-level mechanisms sheds light on the efficiency of current cluster policy and the possible development of alternative policy instruments to facilitate both localized successful spin-offs and localized knowledge diffusion processes.

Keywords: Spin-offs, routines, knowledge diffusion, incubator, cluster policy

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A world in emergence: Notes toward a resynthesis of urban-economic geography for the 21ST century

I argue that we now need to move well beyond the theoretical horizons of postfordism and to seek out a sui generis description of contemporary capitalism and its urban-economic geography. I point to three major characteristics of today's capitalism that are exerting major impacts on the geographical reconstruction of the world as we know it, i.e. digital technologies, the new division of labor, and the deeply intensifying role of knowledge and human sensibility in the labor process. The implications of these phenomena for urban form and regional development are discussed, with special reference to what I refer to as the cognitive-cultural economy of large cities. Recent transformations of the interstitial spaces between these cities are also considered. The argument goes on to put all of these issues in a wider spatial and organizational context in which the world is represented as a multifaceted, multitiered system of spatial convergence and differentiation. Some of the broad cultural and political meanings of this process are considered.

Keywords: Cognitive-cultural economy, new division of labor, global city-regions, urbanization, globalization

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Managing the development of craft villages in the Red River Delta: From public authorities to professional associations

Since the beginning of the Đổi Mới period, with its de-collectivization process, economic liberalization and the legal resurgence of the consumer economics, the craft villages of the Red River Delta have been not only revived but strongly developed and enriched. Currently, with the extension of Hà Nội, administratively on the former Hà Tây province and de facto on other adjacent provinces, the thousand-year-old craft villages are facing tremendous changes, economically, socially and politically. The disappearance of agricultural lands – for new residential zones or industrial zones -- the policies of infrastructure development, and the evolution of the market and economy, are shaping a new context and environment for these villages. Therefore, exogenous as well as endogenous urbanization are imposing stresses on the traditional organization of these villages, creating new challenges for their inhabitants as well as for the public authorities. Based on a 2009-2011 survey conducted in two villages in the former Hà Tây and Bắc Ninh provinces, this presentation aims to expose who are the actors managing the evolution of these craft villages, and will underline the new internal organization of their activities, from the local public authorities to the new professional associations.

Keywords: Peri-urban, political structure, urbanization, doi moi, Hanoi, Vietnam

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Is the Quasi-Public system public enough? The case of the bus system in the Greater Seoul Metropolitan Area

This paper traces the evolutionary processes in which Seoul metropolitan governments have addressed a crisis in provision of public transportation, especially public bus service in capitalist society. In so doing, I examine the ways in which the intrinsic failure of capitalist provision of public transportation services in Seoul has been addressed in both technical and fiscal aspects of operation under the general rubric of a quasi-public transportation system. Despite the early concerns over the hasty introduction of the system, the reform by Seoul city government has successfully achieved the original goals, maintaining the share of public transportation at reasonable rates with improved services. However, there have been some emerging challenges in the mid-2000s in both terms of fiscal sustainability and the public provision of service. By carefully analyzing the ways in which these challenges are accommodated through institutional resolutions, the paper attempts to suggest some ways to address them in a more just way.

Keywords: Public Transportation, fiscal sustainability, quasi-public, Seoul

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Financialization and real estate development in post-developmental states

Korean political economy has undergone a drastic shift toward a neoliberal financialization in the post-crisis era. This has resulted in creative ways in which finance capital integrate various aspects of political economy into its circuits. In the post-developmental Korea, real estate markets have been one of the core elements that finance capital has exerted its power through newly addressed financial instruments. In this paper, with the case of project financing, we examine the political economic backgrounds for its introduction to Korea and their impact on real estate markets, especially on various stakeholders in the market. We also pay attention to the extent to which this development of project financed real estate project has been related to changes in overseas financial markets. In doing so, we intend to provide some critical insights on unique institutional development of financialization in post-developmental Korea and the variegated nature of this development.

Keywords: Financialization, neoliberalism, South Korea, post-developmental states, real estate

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Location or agglomeration? An empirical method for studying location preferences in the urban context

This paper introduces a novel methodology for investigating economic establishments' location patterns in dense urban settings. It proposes two key innovations. First, we introduce a novel graph-analysis framework in which establishment locations can be represented under realistic constraints of the urban street network, land use distribution, and travel behavior. A series of accessibility metrics, previously used in network analysis studies, are introduced and applied in this framework using individual buildings as units of analysis. Second, we introduce an innovative estimation methodology that distinguishes endogenous agglomeration effects from exogenous location effects. We specify a linear probability model with a binary dependent variable and estimate how buildings' probabilities to accommodate a particular type of establishment relate endogenously to other similar establishments' presence nearby, and exogenously to land use, transit, and urban form characteristics around them. The proposed methodology allows us to make an important distinction between establishment clusters that are explained by positive externalities (agglomeration) as opposed to clusters that are explained by a common attraction to an external resource (i.e. subway access), which have been often empirically confounded due to methodological difficulties in the past. We apply the model to approx. 30,000 buildings in Cambridge and Somerville, MA and estimate which location and agglomeration factors explain retail and food service establishments' location choices in the two cities. We specify the model to all retail and food-service establishments as a group and to different three-digit NAICS establishment categories individually. The results confirm that retail location choices in the case-study area are significantly related to other retailers' endogenous location choices nearby (clustering effects) and exogenous land use, urban form, and transit characteristics around each building (location effects). However, the importance of each factor varies by type of goods sold. Food service establishments, for instance, are highly prone to agglomerate – the presence of a single neighboring food service establishment in a 100m walking radius increases an average buildings' probability to also contain a food service establishment by 2%. Health and Personal Care Stores, on the other hand, are found in clusters not because of positive agglomeration effects, but due to their common attraction to external factors, such as subway stations. Different categories' location preferences are explained using retail location theory. The findings inform economists about factors that attract retail and food service establishments in urban settings, and urban planners about how the layout out streets, parcels and buildings can affect their location choices. By separating exogenous location effects from endogenous agglomeration effects, more reliable coefficients result for both. A similar model can be specified to other types of establishments (e.g. design firms, financial institutions etc.) in future work. The specification of the model in different cities can lead to policy recommendations for incentivizing the development of desired land use patterns.

Keywords: Location choice, spatial networks, spatial econometrics, urban retail distribution

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Analysis tourist potentials Darab County by using ecological footprint method with emphasis zone economic geography

Between different trends of Tourist, the rural tourists in century 21 have particular importance. Villages on their relative nature with inner text if natural life method have especial characteristic. These buildings or organization have also its effects and consequences and give especial ecotourism in Geographical face and different dimension of settlements which lands and natural view and rural tourist and regarding the development Global tourist less accounts as a main source of income with. Low environmental pollution and plan for their country's people for spending their leisure times. The cultural viewpoint of Tourism is one tool that hold the communication between nations and different ethnics and for this purpose the rural tourism have especial importance because of its beautiful nature, it always is regarded by world's planner. In the recent years, one of the methods applied for measuring the rate of sustainability and consequently the rate of demand is "the ecological footprint ". In this research in order to make future plan for the rural tourism and on the other hand arrangement of tourism consumption patterns based on this method, we attempt to estimate the demand for resources and compare the demand and amenities. For this purpose we have selected Darab tourism area as a case study and we have tested the aforementioned methods. The results of the study show tourism sustainability in the studied zone.

Keywords: Tourism, ecological footprint, economic geography, Darab

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Metropolitan context and racial/ethnic intermixing in intra-urban space: Columbus Ohio and Milwaukee Wisconsin

This paper concerns racial/ethnic intermixing in two mid-sized MSAs, Columbus Ohio and Milwaukee Wisconsin in 2000, and 1990-2000 change at the Census Tract (CT) level. Race/ethnicity is identified specifically as African-American, American-Indian, Asian, Caucasian, Hispanic, or others – following Census categories. It also is identified more generally as White versus Minority. Intermixing among the six Census categories is gauged by the Theil Entropy Index; we also use the Location Quotient to place Census Tracts along a continuum from High White to Intermixed to High Minority populations. On the one hand these index scores are related to Demographic, Socio-Economic, and Built-Environment characteristics of neighborhoods (CTs). But we also hypothesize that economic context will impact the rate and spatial extent of intermixing, and the role of more specific neighborhood characteristics. In regard to context, Milwaukee represents a typical Fordist metropolitan area that has been heavily dependent on manufacturing, and struggled through the post-Fordist transition. By contrast, Columbus's economic structure has historically been more dependent on service, retail-wholesale, and quaternary-type activities – such that it gained the sobriquet “Sun Belt City in the Rust Belt.” At the basis of our argument is that AMB urban areas whose economic base was strongly Fordist entered the post-World War II period with an overload of sunk costs relative to MSAs with less Fordist involvement; and that the ensuing post-Fordist transition left Rust Belt MSAs reeling with unemployment, a deflated economic base, an under-used (if not unusable) built environment —exactly opposite to the dynamic associated with greater racial/ethnic intermixing. Methods by which we empirically flesh out our premise include cartographic analyses, principle components, and multiple regression. Information gathered from personal interviews and focus groups also is employed.

Keywords: Race/ethnicity, intermixing, intra-metropolitan, Fordism/Post-Fordism, economic transition

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Collaborative behaviour and the geography of innovation in P-KIBS and T-KIBS

Most studies on the relationship between space and innovation have focused on local factors to explain spatial variations in the innovation performance of firms. Few papers have considered the relationship between innovation and the wider spatial structure within which firms operate. This paper focuses upon comparing professional and technical Knowledge Intensive Business Services across three dimensions. First, we investigate whether innovation in these sectors varies in a continuous manner across space. Second, we explore whether these spatial variations can be explained by variations in information gathering and collaborative behaviour. Finally, we seek to verify whether these conclusions are robust to the inclusion of local fixed effects. We have previously found, studying all KIBS together, that innovation varies both across continuous space and across discrete territories. This geography is not affected by firms' information gathering and collaborative behaviours. In this paper we seek to determine whether these results hold for the two KIBS sub-sectors.

Keywords: Innovation, KIBS, proximity, collaboration, Québec

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Strategy countermeasures study on eco-environmental construction and water resource sustainable utilization

In inland river basin of our country, with the most density of population, the higher GDP of per capita and the least possessive quantity of water resource, the contradiction on the supply and demand of water resources in middle and lower reaches of Shiyang river basin become more extrusive, it is the most serious degree of eco-environmental deterioration, also it is the typical area of unable to support the sustainable economic and social development. Owing to the deterioration of eco-environmental in Minqin, the ecological and conomical system of whole basin is facing with the risk of breakdown. From the actuality of exploitation and utilization of basin water resources, the paper analyzes the eco-environmental problem and its causes of formation systemically. It considers that the primary roots of ecosystem deterioration are the overmuch population pressure, the coinstantaneous existence of lack and waste of water, the area exploitation policy of lacking scientific foundation, and the softly unified management of water resource. Based on these, it puts forward six-point strategic countermeasures of water resource sustainable utilization. Firstly, to strengthen overall planning and management of basin water resource, unified management of basin water resource will stride forward distributing water uniformly and using water effectively in the future. The two breaches of solving the distribution problem of water resource in Shiyang river drainage basin are unified management of water resource and water right system. Secondly, to change notions, advance modern economical geographic division of labor based on water resource, implement virtual water stratagem management gradually (virtual water stratagem indicates that the country or region which lack water acquire water and grain by buying farm

produce of water resource-intensive from the country or region which have abundant water in the way of trade.). This way may make the water resources product more economical, societal and ecological benefits. Thirdly, to adjust industrial structure energetically, enhance industrial competitive ability gradually. To establish the effective industrial system restricted on market and water resources and the motored mechanism of optimizing configuration of water resource by adjusting industrial structure, and distribute limited water resources to industries which have higher economical benefit and lower water consumption. Fourthly, to develop vegetation rebuilding in the way of adjust measures to local conditions, protect and establish the system of forest, shrub, sward and desert, which is coordinated with the ecosystem of arid and semiarid area. The vegetation restoration and destruction must fit for local conditions, adjust arbor to planting arbor, adjust shrub to planting shrub, adjust grass to planting grass, and adjust desolation to desolation. It is forbidden to dirve well or plant tree eyeless. Fifthly to organize returning land for farming to forestry and population migration , quicken the urbanization step. To carry out ecological migrants policy in the eco-environmental frail area of desert oasis edge and the area unsuited to human residing long-term. By exploiting a small area concentrative, protect a large area and advance spatial agglomeration of population and industry. Sixthly, to establish water-saving society, advance the change of water resources management from water supply management to socialization management, optimize the structure of water demand, and advance the adjustment and upgrade of industrial structure.

Keywords: Water resources, ecological construction, strategy countermeasure, Shiyang river basin

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Spatial difference of coordinative development of urban and rural areas and its mechanism in Gansu Province, China

Coordinative development of urban and rural areas is an important part of regional economic coordinated development, and also important way in solving urban-rural dual structure, narrowing the gap between strategic decision-making. Based on ESDA-GIS spatial analysis framework and the statistical data of 87 counties (cities, districts) of Gansu Province in 2007, the level of coordinative development of urban and rural differences in the overall and local spatial patterns were studied. 17 indicators was selected as the basic variables for the urban and rural coordinative development evaluation, and index system was built up to calculate the composite index of the urban and rural coordinative development. According to the principle of eigenvalue greater than 1, four main components, government regulation factor, economy and urbanization factor, living standards factor, facilities level factor, were selected, whose cumulative variance contribution rate were up to 80.96%. General statistical characteristics of the four main factors show that the frequency distribution of factor values are skewed, the data deviated from the center, and morphology is also a lack of symmetry. The results indicate that government regulation, economic and urbanization, living standards and building a greater degree of geographical differences exist. After calculating the synthesized scores of every administrative district, the paper makes use of ESDA-GIS frame work to analyze spatial difference of coordinative development of urban and rural areas of county area in Gansu. The Exploratory Spatial Data Analysis (SDA), which based on the computing spatial auto correlation and spatial heterogeneity, is also used to detect the geographical dynamics of Gansu' regional disparity patterns. There are significant positive spatial autocorrelation (Moran's I) of coordinative development of urban and rural areas level in Gansu. Moran's I Scatter plots and LISA (Local Indicators of Spatial Association) cluster maps are used to test the local pattern of the coordinative development of urban and rural areas level. The result illustrates that the spatial pattern of coordinative development of urban and rural areas comprehensive level in Gansu is more advanced in north-western region than south-eastern region; and the region development is mainly driven by the growth poles, such as Lanzhou, Jiayuguan-Jiuquan, Jinchang-Wuwei, Baiyin; there is prominence spatial difference between region development and the two-side club (high level club and low level club) convergence exists in the coordinative development of urban and rural areas in Gansu. The region around Hexi Corridor and region of Lanzhou & Baiyin, had become the high level club convergence, and the central, east and south region maybe in the "general poor trap". The self factors parallel combination of counties' government regulation and facilities level are not in equilibrium. It has been proved that ESDA-GIS spatial analysis makes spatial heterogeneity of coordinative development of urban and rural areas more distinctly, and strengthens its visualization.

Keywords: oordinative development of urban and rural areas, ESDA, spatial disparity, GIS, Gansu

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Multi-scalar, circulatory urbicide: Urban involution and slum clearance in Manila during the Marcos Regime

In the short time since the concept of urbicide—literally, the killing of cities—has gained theoretical currency across a modest range of academic disciplines, there has been no shortage of controversy over the myriad attempts to define and deploy it. Much discord has emerged with respect to what assortment of

phenomena can be seen to fall under its jurisdiction, and also how it might link up with other strategies of exploitation and oppression. This paper assumes that urbicide often pertains to matters of circulation, and it focuses on the developmental problematics that faced the city of Manila during the dictatorship of Ferdinand Marcos. It will argue that two distinct, if intertwined, forms of (multi-scalar) urbidical violence were inflicted on Manila's populace during this historical period: a centripetal force, brought on by the structural adjustment programs imposed on the Philippines by the World Bank—then under the thumb of former US Secretary of Defense, Robert McNamara—and a centrifugal force, inculcated by Imelda Marcos in her capacity as head of the Metropolitan Manila Authority, who had very different views on what to do with the burgeoning urban slum-dwellers that, in no small part due to McNamara's own policies, coalesced en masse on Manila's tangled streets.

Keywords: Urbicide, urban involution, World Bank Policy, The Philippines

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Impacts of natural disasters on physical and human landscape in India: A study of Leh Cloud Burst

Natural disaster is an event or a series of events which gives rise to casualties and/or damage or loss of property, infrastructure, essential services or means of livelihood on a scale that is beyond the normal capacity of the affected communities to cope with unaided. The United Nations defines disaster as “the occurrence of a sudden or major misfortune which disrupts the basic fabric and normal functioning of a society”. The World Bank defines disaster as an extraordinary event of limited duration which causes serious disruption of the economy of the country. India is located in South Asia. Because of its Geographical Location, Sub continental dimension and climatic variations, India faces various natural hazards and disasters like drought, flood, cyclone, earthquake etc. Leh cloud burst is taken up for the present study. Leh is located in the state of Jammu and Kashmir in India. Leh is a district of Jammu & Kashmir State in north of India. With an area of 45110 Sq Km makes it largest district in the country in terms of area. It is situated between 32 degree to 36 degree North Latitude and 75 degree to 80 degree East Longitude. The district is bounded by Pakistan occupied Kashmir in the West and China in the north and eastern part and Lahul Spiti of Himachal Pardesh in South East. It is at distance 434 Kms from Srinagar and 474 Kms from Manali. Leh district comprises of Leh town and 112 inhabited villages and one un-inhabited village. The total projected population of Leh is 1.17 lacs. A cloud burst has been reported near Leh on 6th August, 2010 leading to flash flood and mud slides over the region. It caused huge loss of lives and properties. Present Paper is based on secondary data and field observation, CARTOSAT data and space borne SAR data has been used to analyse the pre disaster situation and post disaster situation in study area and attempts to study the distribution of different natural disasters in the country, impact of these disasters on the society and physical environment, the main objective of this paper is to study the impacts of Leh cloud burst on physical and human landscape in Leh. It is found that all the states and union territories in the country are likely to face one or a combination of disaster situations. More than 55 percent of our landmass is prone to earthquakes of various intensities, about 68 percent of total sown area of the country is susceptible to drought, over 12 percent is prone to floods and 8 percent is prone to cyclone. Due to cloudburst and flash flood in Leh 28 thousand quintals of foodgrains of different standing crops spread over 1400 hectare of agriculture land has been damaged. This natural disaster took a tole of 179 persons including 6 foreign nationals and approximately 400 persons have been injured. There has been extensive damage to public utilities viz BSNL exchange, civil hospital, airport, drinking water supply, National highways connecting Leh-Manali, Leh-Kargil and also to private properties.

Keywords: Physical landscape, human landscape, disaster, cloud burst, earthquakes, floods, cyclones, drought

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Political economy of new Chinese migrants in Southeast Asia: A case study of transnational Chinese traders along the Thai-Lao border

Since Chinese Economic Reform in 1980s, the borders between China and Southeast Asia have been opening for economic benefit of both China and Southeast Asian countries. This situation has allowed people and goods transporting more comfortably among the countries. Along these phenomena, the most interesting situation is the vast majority of new Chinese migrants have been moving into Southeast Asian countries. This research, by applying Political Economy approach and active-actors perspective, is to explore this new Chinese migration to understand their mobility in associating with Chinese state influence, as well as socio-economic and politic conditions of both China and GMS countries. Ethnography and qualitative method will be major research methodology. Taking the case of Chinese traders along the Thai-Lao border, this preliminary research has found that these traders come from the “rural area” of southern China; Hunan, Yunnan, Guangdong, Chongqing, Sichuan, connected to Southeast Asian border. Mostly they arrived and made decisions to stay independently, motivated by their desires to improve their lives in a new place, as gold diggers. The new Chinese traders however are diverse in different levels of education, experience, and social classes which help

organizing social network and facilitating their trade distinctively.

Keywords: Transnational Chinese Traders, Thai-Lao border, Chinese Migrants

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Restructuring the rural-urban fringe of the Tel-Aviv Metropolitan Area: Revitalizing agricultural settlements and their activities

The rural urban fringe (RUF) of the Tel-Aviv metropolitan area has undergone a substantial restructuring process in recent years. This zone has experienced agricultural decline and settlement change, and it is intensely contested by agricultural and non-agricultural land uses. The underlying mechanisms impinging upon the processes such as population mobility, changing location advantages, and changes in the desired lifestyle, affect the physical-spatial structure and the socio-economic systems in the RUF itself and the surrounding areas. The restructuring process of the RUF can be analysed through a number of domains:

1. Demography - There are in-migration and out-migration flows of population differ according to the nature of the population.
2. Social structure - A clear shift from a low diversity of social groups (mainly farmers) towards a high diversity of social groups. The outcome is a range of social groups from farmers to gentrifiers.
3. Economic structure - A shift from a farming space and related activities towards a multifunctional space. The outcome is an increasing tendency towards a shift from a space of production towards a space of consumption.
4. Municipal change - A transformation from village towards suburb. A certain degree of a blurring shape of the common rural settlement form through changes in the private and public landscape.
5. Environmental change - The penetration of environmental nuisances unknown before.

The major resulting issues are: the loss of prime agricultural land, declining income among farming households, changing nature and demographic structure of rural communities, excess expansion of built environment beyond the real needs, increasing pressure on local infrastructure, ecological deterioration and growing imbalance of natural processes. The ultimate solutions to these issues can be expected to extend over time. A number of practical solutions are: identifying agriculture and farmland base as critical for the sustainability of local communities, encouraging potential income from sophisticated agricultural products and from complementary non-agricultural income sources that do not produce environmental nuisances, the development of local entrepreneurial activities that support local development, and strict monitoring procedures and policies regarding land uses thus decreasing the potential for pollution.

Keywords: Rural-urban fringe, restructuring, multifunctional space, Tel-Aviv metropolitan area

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Time trend of industrial agglomeration and transportation networks in the US

Industrial agglomeration is an old theme in economic geography and many studies have been devoted to this topic since Marshall's pioneering work. However only few have empirically looked at the time trend of industrial agglomeration. This study measured agglomeration of U.S. industries over the period from 1977 to 2005 employing two concentration measures, the spatial Hirschman-Herfindahl index (spatial HHI) and the localization index proposed by Ellison and Gleaser in 1997. Based upon industrial growth pattern and agglomeration theory, seven industries were selected for this study: Apparel, Chemical, Electronics, Finance, Insurance, Business Services and Legal Services. Concentration measurement results indicated that industrial clustering has occurred during the study period in seven study industries but no common time trend was shared amongst them. This implies that industry specific factors have impacted on the level of geographical concentration over time and the same change in the business environment would have differently affected agglomeration in different industries over time. Also the localization index, which was expected to give us better ideas on agglomeration levels compared to the traditional concentration measures, behaved similar to the spatial HHI suggesting the old concentration measure might work as well as the new one if time trend of geographical concentration was of interest. The results of geographical concentration level measurement were then used to investigate causal relationships around industrial agglomeration. Three additional variables, industrial GDP, regional wage variation and transportation network, were chosen to test for causal relations with agglomeration levels. Our main focus was on seeing whether good transport networks are necessary element for industrial agglomeration. Granger causality tests were employed in vector error correction form which could inform both long run and short run causalities amongst the variables. Our presumed causal relations were found in several cases, especially causality from transport to industrial agglomeration, which supports the argument that the development of transportation influences industrial agglomeration. However inverse or bi-directional causalities were also found in some cases, showing more complex relationships between these two in real world.

Keywords: Industrial agglomeration, geographical concentration, transportation network, causality

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Ownership, zoning and primitive accumulation of capital: The case of South Korea, 1970s

This paper looks at how the state can enhance home ownership and use it to facilitate primitive accumulation of capital in a developing country context. Mid 1960s in South Korea, mid- to high-rise flats quickly gained popularity among the middle class. This cultural change coincided with an explosion of the middle class. The South Korean government took advantage of this situation to facilitate the formation of national capital. In this paper, we argue that the state made possible primitive accumulation of capital through the dispossession of public assets and potential profit. More specifically, we examine the state designation of “apartment zone” in land use planning, which were given exemption from existing density regulations. This preferential treatment was combined with the grant of development permits to a selected small number of construction companies in the private sector, who subsequently oligopolised unrealised land rents. On the top of that, the initial investment by the state sent signals on where to invest and the resulting concentration of investment ensured profitability. Consequently, construction companies such as Hyundai Construction were elevated to large conglomerates in the 1970s and became capable of investing in other sectors, including heavy industries, eventually placing South Korea among late-industrialised economies in the 1980s. The findings of this research show that, in a developing country context, housing boom can be a catalyst for industrialisation as well as an outcome of industrialisation.

Keywords: Home ownership, zoning, primitive accumulation, South Korea, developmental state

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Towards quantum regional policy: Effective local development under uncertainty

Local communities inhabit an increasingly uncertain world, on account of global economic competition, the dominant effects of national macro-economic settings, rampant technological improvement, and the rising mobility of the skilled and creative classes. We may add to these the growing interregional tension between economic sectors through what is known as the Gregory Effect. Recent work on the psychology of regional development adds to such uncertainty by identifying some 45 different individual and collective behaviours influencing place prosperity. To these we may add Prechter’s concept of social mood. Such uncertainty is collectively conceptualised by Chaos Theory, Complexity Theory and Quantum Mechanics, the latter drawing on Heisenberg’s work for the Copenhagen School. And, just as quantum ideas are being absorbed into our understanding of how organisms and ecologies evolve, so they also clearly underpin the development of communities and businesses alike. This paper examines the implications of uncertainty for local development policy or strategy. Does, for example, large-scale uncertainty irrevocably support Rittel and Webber’s notions of wicked problems and Horn’s concept of social messes, and by implication assign formal local development strategies to the dustbin of history. Certainly Australia’s formal regional policy, dealing with non-metropolitan (non-core) regions, has to date had scant success and may be adjudged a monumental waste of time and money. Yet, on the other hand, the country’s mass of macro-economic and macro-society settings have arguably had startlingly successful regional effects, to the point where traditional rural – urban differentials in well-being are being reversed. Why, then, is this the case? Perhaps the answer lies in the creation of locally adaptive cultures in the same way as quantum evolution relies on Lamarckian epigenetic processes alongside DNA based natural selection along Darwinian lines. In human society, decisive competitive advantage is acquired by, or bestowed on, a region’s residents wherever they (i) can acquire early information and knowledge, (ii) appreciate its development potential, (iii) drive the resulting innovation efficiently and effectively, (iv) take calculated risks expeditely, (v) and network effectively – sometimes in harmony and sometimes competitively. In practice, most of Australia’s rural regions have these qualities in abundance, but not through regional policy settings. They arise from almost exclusively macro-economic and –social settings cemented in place over decades in what might almost be describe as quantum approaches to place prosperity. The paper’s concluding section explains how and why these came about and, In an age of fiscal austerity, governments could well look to terminate their expensive and frequently ineffective regional strategies in favour of Australia’s low cost approach.

Keywords:

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Railway has an effect on Iran tourism: Northeast until northwest

Infrastructures can play important role in the tourism industry. Especially railway is safest transport. Sarakhs railway until Bazargan railway is the project that can connect northeast of Iran to northwest of Iran. This railway can improve strategic location of country and can be world focus because this railway will

connect Iran to Bazargan border line (in west) to Turkey and Uropen from Sarakhs border line (in east) to Turkmenistan until China and from north to Russia. At first Mr Baron Donorman who was from Belgium in 1875 offered Sarakhs railway until Bazargan railway project to Naseredin shah Qajar who was ex-king of Iran but remained stagnant. In this project I used library research method at first summery about history of Iran railway then advantage of railway transportation and seldom this kind of transportation won't be under effect with climate change. We offer 2 railways from northeast until northwest.

1-the way from Sarakhs-Mashhad- Neyshaboor- Esferayen and Bandar Torkaman then by connect to existing railway and crossing Persian golf coast then from Ardebil will connect to available railway in Tabriz until Bazargan.

2- the shorter way is possible in Turkamanestan some part has done and from Eshgh Abad until Gorgan connected to available railway then like first way will connect. This railway will pass from some part that involve tourism attraction and some example has explained. To invest in Sarakhs railway until Bazargan will improve human live in that area and will have effect on developing Iran economy by coming tourist and export and inport stuffes.

Keywords: Infrastructure, Sarakhs, Bazargan, tourism industry, railway

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Pasargad is great opportunity in Iran tourism

Iran is one of the countries which has many potentials for tourist attraction, specially in cultural and ecotourism fields, but due to the rich oil resources and its profitability, the necessity of this lucrative industry has not been felt. In this comparative study, it is attempted to compare "Tajmahal" in Agra and the tomb of "Cyrus" the great in Pasargad near Perspolis and the city of Shiraz and how could the Tajmahal become one of the most attractive visting place in the world historical spots. The tomb of Cyrus the founder Achaemenion dynasty is located in pasargad which is one of the glorious historical periods of Iran "Cyrus charter of human rights" is famous world wide. Many world historians believe that at that time, when people were suffering from their ruling regime they wanted Iran to get ride of them from their ruling regime with various scrolls and the famous scroll of Bybylon man is like that. Continued in this study, offered models of tourism in India have studied which the following can be mentioned:

-Great Inida government recalled the legendary slogan of India.

-Holding tourism seminars attended by over 150 countries.

-Operating tourism trains.

- Inviting foreign investors to build hotels.

-The use of trained local guides, full of energy, interested and educated who speak from their culture and history of their country. closeness of Pasargad and Perspolis can provide an ideal set of cultural place to tourists which attract each evidence but lack of resting places ,shortage of green space, restaurants and good hotels are big problems. Pasargad and Perspolis are lost herritages which should be noted, then they have capability to become a great tourism place. Persia region due to high mountains and countryside places is capable of attracting tourism even in the warm seasons.

Keywords: Tajmahal, Pasargad, Cyrus, human rights charter, tourism development

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Where politics and economics collide: The uneven spatial distribution of public and private R&D spending in Canada

This paper examines the spatial distribution of both public and private R&D spending in Canadian city-regions. The overarching theoretical framework focuses on the connections between investments in innovation with the goal of generating local knowledge spillovers that fuel economic growth. Both private and public expenditures on research and development are analyzed in order to find evidence of correlations between spatial patterns of investment and research outcomes measured by the amount of patenting activity. Funding activity is compared against other theories of regional innovation and growth, specifically talent attraction and retention, and local diversity versus specialization. The discrepancies between the geographic patterns of private R&D spending and public R&D spending raise a number of important questions pertaining to return on investment. The data shows that private R&D spending is much more spatially concentrated and more strongly correlated with patenting activity while public R&D spending is less spatially concentrated and shows a weaker correlation with patenting activity. Canada like many other countries is experiencing an increasing concentration of economic activity in its largest city-regions as well as increasing income equalities between many of its city-

regions. The data presented in this paper clearly highlight a long-standing policy dilemma between maximizing overall economic growth by focusing public resources in areas of existing strength or aiming to decrease geographic economic inequalities by distributing resources in a more equitable manner. On one hand if R&D funding resources are to be concentrated in existing areas of strength, then rebalancing needs to occur based on income redistribution and federal transfer payments to the 'have-not' provinces. On the other hand if R&D funding resources are to be distributing in a geographically equitable manner then the hope is that rebalancing can occur directly with economic production. While no single 'answer' is given the paper concludes by discussing the outcomes of current policy practices and the possible repercussions in changes to these policies from local and national economic development and governance perspectives.

Keywords: R&D, innovation, city-regions, inequality, governance

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Crisis! What crisis? The financial crisis as a paradigmatic turning point?

The experiences of the financial crisis significantly impacted academic debates in economics and economic geography. Increasing numbers of scholars have recently called well-established theoretical concepts of their disciplines into question and advocated that there is a necessity to revise and readjust existing ways of modelling and thinking. However, the discussion largely concentrates on possible modifications within the dominant economic paradigms in order to adapt, improve and preserve the models and theories, which have been challenged by a disturbing reality. Following those attempts, the discussion increasingly faces the danger to loose track of the question whether the premises and underlying meta-theoretical concepts of mainstream theory in economics and in economic geography itself are adequate or not. In contrast, this paper aims at contributing to a discussion of the reasons for the deficiencies of well-established economic theories, which were apparently neither able to predict, nor adequately explain the occurrence of the recent financial crisis. The paper argues that especially theories which are based on an utilitarian concept of action and on its underlying epistemological concept of critical realism faced severe problems in explaining the recent events. From a utilitarian and critical realist point of view, radical changes within a given system can only be explained by unintended outcomes of actions or by exogenous shocks since systems inherently tend toward an equilibrium. Apparently both suggestions do not seem viable for the financial crisis, which has its roots in the very heart of the financial system itself. Furthermore, the actors who designed the financial derivatives which caused the crisis were clearly quite aware of what they did. If this diagnosis is correct, it is not possible to adequately understand and conceptualise the endogenous dynamic and system inherent crisis tendencies of capitalist economies from a utilitarian and critical realistic perspective. Therefore, the paper alternatively discusses the potential, consequences and limitations of a paradigmatic turn in economic sciences, applying a pragmatist perspective with reference to John Dewey and to the concept of creative action developed by Hans Joas. From this point of view, actors do not react to a given situation by realising a certain option for action intended to achieve a certain outcome as utilitarian theory suggests. Instead, pragmatism argues that the intention of actions continuously changes in the process of the realisation of actions, since individuals have to adapt to a continuously changing environment, shaped by the actions of other individuals. From such a perspective, markets can neither be stable nor predictable but are continuously produced and reproduced by the reflexive actions of market participants. This performative nature of financial markets urges actors to develop creative solutions in an environment which is inherently instable.

Keywords: Financial crisis, utilitarian action, critical rationalism, pragmatism, creativity of action

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Collision of lions and butterflies outside the Anglo-American domain, too? The publication and citation behavior of economic geographers and regional economists compared

Relations between economic geography proper (a sub-discipline of geography) and regional economics (a sub-discipline of economics) have been the subject of discipline-centered debate, all the more since the self-proclaimed "economic geographer" Paul Krugman was awarded the Nobel Prize. Content-based cooperation makes sense in view of the variety of subject-related references; nevertheless, regional economists ("lions" according to Duranton/Rodríguez-Pose 2005) and economic geographers ("butterflies") cooperate relatively rarely in the possible arenas of literature, methodologies, joint publications, or conferences. And that, despite the fact that many books as well as new and successful journals (such as the Journal of Economic Geography) are explicitly dedicated to precisely this cooperation between the two disciplines. One of the most significant expressions of cooperation in research takes the form of publications and citations. The paper compares the publication and citation behavior of economic geographers and regional economists based on a unique data set. The analysis is consciously limited to researchers in the German-speaking world (covering Germany, Switzerland, Austria and Luxemburg), but incorporates ALL articles published by all of these researchers, provided they were employed at a university on the reference date of August 1, 2010. 772 SSCI or

SCI papers and 4,266 associated citations of 178 economic geographers and regional economists are included. The analysis therefore goes deeper for the countries covered than recent approaches on the dialog between both disciplines (Brakman et al. 2011), which represent an important step in the right direction, but are limited to the data of only one (albeit very important) journal. The paper aims to answer the following research questions: Do the two disciplines differ in terms of the frequency of publication and citation? Can differences be established in the frequency of joint publications with co-authors outside the German-speaking world? What marks out the journals in which regional economists and economic geographers publish? How frequently and with what effects are there joint publications, i.e., is there "mutual neglect" and "non-debate" (Brakman et al. 2011, Duranton/Rodríguez-Pose 2005) outside the Anglo-American world, too? How have these aspects changed over time? The analysis therefore complements more recent studies of the publication and citation behavior of scholars from both disciplines who concentrate explicitly or implicitly on the Anglo-American world (e.g., Brakman et al. 2011, Bodman 2010). Such analyses of a region where a different language is spoken have so far been rare (e.g., Rodríguez-Pose 2006). In addition to some differences in the publication and citation behavior, empirical analyses have shown parallels between the two disciplines to a greater extent than expected. For example, the differences in terms of the frequency of publication and citation are slight. From a dynamic perspective, a convergence of scholars from both disciplines over time can be observed, as younger scholars are more similar to each other in this respect than those of the older generation for whom journal articles were/are less important than other forms of publication. Joint publication between the two disciplines in particular seems to be on the increase. Publication together with foreign scholars (of the same discipline or not) is also becoming more frequent. Equally, more and more German-speaking economic geographers are trying to have their articles published in high-caliber international journals (of both disciplines) – and with increasing success. Joint publications of both disciplines are still a rare, but increasing phenomenon. Such joint publications show higher citation values on average and are more often published in journals with higher impact factors. There seems to be a cooperation dividend if the lion and the butterfly (Duranton/Rodríguez-Pose 2005) write joint articles.

Keywords: Bibliometric analysis, publications, citations, economic geographers, regional economists

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Managing the Japanese service industry: Location, competitiveness and internationalization

Japan has been a leading industrial power during the last 50 years. The manufacturing industry has developed world leading competitiveness and productivity. The service industry on the other hand has been less competitive and internationalized in comparison with other OECD countries. Increased regional and global competition changes the role of Japan in the knowledge intensive economy. Services are becoming a more important part of the future competitiveness of the economy. Japan is facing a number of challenges to foster a competitive knowledge economy with a high degree of services. The paper seeks to explore the advanced service industry and its connections to the manufacturing sector through two perspectives. First, structural and cultural reasons in the business environment could help to explain the limited success of the service industry. Service internalization and bundling of services have made it difficult for independent firms to compete. Japanese firms need to rethink their global strategy and build networks that are in line with knowledge creation and globalization. Service firms must clearly define their strategy for localization and internationalization. Manufacturing firms need to develop their offering of bundled services in order to move from free to fee. Companies that are well placed to produce value-added for clients through the product life cycle utilizing the broad base of intra- and inter-firm competence would enhance their competitiveness.

Second, uneven regional economic development has proven to be a hurdle for the development of a knowledge intensive service economy. Knowledge flows between companies in regional economic clusters has proven difficult. The paper uses primary and secondary data on the national, regional and company levels to show the difficulties, but also the potential that exist within the service industry in Japan. The paper concludes that more stringent strategy of companies to unbundle services and charge for the concrete value, will increase competitiveness and productivity. Regional policy must also be better to see the potential in the service sectors and find policy tools to develop this further. Bringing actors together in regional business systems or connecting value adding global production networks marks the challenge for the development of the Japanese service industry.

Keywords:

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Threshold effects from absorptive capacity and the effectiveness of innovation policy: An analysis of a spatial sample splitting model

The fundamental importance of innovation for economic growth and prosperity is generally accepted among economists and policy-makers. How innovation is achieved, however, has been subject to an increasingly complex academic and policy debate. Peripheral regions, in particular, struggle to design successful

innovation policy. While an instrumental role of absorptive capacity in fostering innovation outcomes is widely acknowledged, little attention has been paid to modelling the mechanisms of how absorptive capacity stimulates innovation. In this paper, an indirect absorptive capacity-induced channel for explaining the impact of human capital on innovation is identified and introduced into the conventional endogenous growth model in a theoretically consistent way. In order to empirically test this approach, a spatial threshold regression model is proposed. The threshold levels are not arbitrarily chosen *ex ante*, but estimated endogenously. The estimation is conducted for 251 European regions covering the European Union. The spatially dynamic dimension of knowledge production is explicitly included into the proposed framework. In this context, insights regarding the behaviour of the spatial threshold estimator are derived, as well. The estimation results suggest that absorptive capacity affects the productivity rates of R&D inputs such as R&D investment and knowledge spillovers. The impact of absorptive capacity is conditioned by interactions in space. Hence, not only a region's internal absorptive capacity matters, but also the absorptive capacity endowment of regions located in its vicinity. Moreover, the modelling approach allows for identifying threshold effects in the impact of absorptive capacity on R&D productivity. We find that the estimated threshold levels are either exactly identical or lower for knowledge spillover assimilation compared to internal R&D investment. The policy implication from these findings implies that the sequencing of policy intervention is relevant for effective innovation policy in lagging regions.

Keywords: Absorptive capacity, innovation, threshold effects, peripheral regions, spatial interdependence

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Collective learning process through the formation of “Literacy Capability” and regional identity: A case of “Forum-I” in Ikuno and Higashinari Districts, Osaka City, Japan

This study explores the conditions of a collective learning process towards innovations, examining the empirical evidence of a grope of SMEs in different genres of industries (“*igyoshu-koryu-kai*”). This study stresses the role of “literacy capability” which permits actors to interpret the diverse information and provides the common basis for the collective learning. Many studies have been debated on the mechanism which has contributed to the emergence of innovations in local areas, considering “collective learning” and “cognition” as the central concepts. However, they are not concerned with empirical aspects. Therefore, we have to take a closer look at the concepts, that is, “collective learning” and “cognition”, for the comprehensive grasp of our research. A case of study, it is investigated a grope of Ikuno and Higashinari Districts, Osaka City in Japan. A name of the group is “Forum-I”. The activity of “Forum-I” is not fastened to reinforcement of own company management. In “Forum-I”, it is argued about a method to activate own area, while sharing regionality. As a result of consideration, the following two insights are cleared. First, at the beginning of the collaboration activities, the innovation was not observed, though the common knowledge and the regional identity were growing in among members. Second, FI was gained the “literacy capability” by sharing the experiences. They could transform and adopted it to their situations based on these experiences the regional identity reflexively. As a result, Forum-I could break through toward innovations. This study shows the following implications toward industrial agglomeration studies. Although a number of relevant studies assert that common knowledge can set up collective learning basis (“innovative milieu”) as a cognitive framework, this research highlight the importance of the common knowledge shared through the collective experience. In addition, this paper point out that a series of innovations require not only the acquisition of regional identity but also the reinterrogation and the reconstruction of its meaning.

Keywords: Collective learning, industrial agglomerations, Osaka City, literacy, regional identity

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Clusters for life or life cycle of clusters: In search for the critical factors for clusters resilience

In a burgeoning literature on *cluster life cycle* (Menzel, Fornhal, 2010), the paper suggests an evolutionary economic geography framework (Boschma, Frenken, 2010) to investigate the driving forces of clusters resilience. We focus theoretically on the underlying mechanisms that lead to different scenarios of clusters trajectories. In particular, we will give a particular attention to the combination of critical parameters that allows clusters to succeed in disconnecting their cycle to the cycle of composite technologies in order to maintain stability and growth after related technology decline. This disconnection process will be typical of the so-called *resilient clusters*. The understanding of their pathways could be at the heart of the renewal of cluster and regional policy in a macro-economic context featured by a high instability and new growing consumers paradigms. Cluster life cycles are not the exclusive product of exogenous shocks but the complex interplay between exogenous, endogenous and market forces, as well as the complex feedbacks between the local structure dynamics, the technological field dynamics in which clusters are embedded, and the micro-motives of

organizations in terms of locational and relational behaviors (Suire, Vicente, 2009). All the forces and feedback processes have to be underlined in order to have an overview of the critical parameters that influence clusters pathways. This is the aim of the first section of the paper which underlines the necessity to draw a theory of cluster life cycle that introduces the game between micro behaviors and relational structures in the knowledge dynamics at work in clusters and networks. Once the theoretical framework defined, section 2 aims to shape a set of 3 propositions that focus on a particular parameter of clusters life cycles. Location decision externalities, composite technologies life cycles related to consumer behavior and structural properties of knowledge networks are considered as the main critical parameters that control the pathways of clusters life cycles. A last section of the paper combines these propositions in a scenario-based approach of clusters life cycles, while conclusion, in a policy perspective, stresses on the particular technological and relational conditions that favor clusters resilience on technological markets.

Keywords: Cluster, life cycle, location externalities, networks, resilience

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Cross-border innovation system: The case of Turku – Stockholm

Nowadays the importance of cooperation between different actors is stressed in innovation activities. The idea is that people with different knowledge bases and cultural backgrounds might learn from each other and therefore create new ideas and innovations. However, also enough similarities are needed in order to understand each other. The aim of this study is to discuss how the cross-border innovation system between geographically close and culturally quite similar regions might be build. Innovation systems are often treated as national (emphasis on national governance and decision making) or regional (regional governance, regional specialisation). In reality, business and economic do not develop in the state as an isolated island nor in the territorially homogenous state. Innovation systems rather reach over each and every territorial border. In this study, we focus on an innovation system that reaches over the borders of two states. The point of view is interesting while cross-border areas are interesting because in those regions interactions between different institutional, economic and social borders inhibits and favours development and cooperation. We use Boschma's ideas of different proximities (cognitive, social, organisational, institutional and geographical) as theoretical background. Our perspective focuses on the point of view of Turku region that is located on the southwest cost of Finland. In economic and policy sense, there is a need to enhance cooperation between regions near to Turku region. The reason for more intensive cooperation between Turku and Stockholm in innovation issues are based on the geographical proximity, common history and language as well as current cooperation between Karolinska Institutet and Turku Science Park in biotech sector. In the perspective of Turku, Stockholm is seen as a gateway to the Europe. However, the scale of the regions is different, and organisational cooperation in public sector mostly occurs between capital cities Stockholm and Helsinki. Furthermore, the creation of cross-border innovation system between Turku and Stockholm is a top-down process, and the idea is developed in the minds of policy-makers in Turku. Therefore, the challenge is to find concrete reasons for cooperation.

Keywords: Cross-border innovation system, proximity, governance

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Levels of sustainable development in Kan Basin of Dhule District (M. S.), India

For every sustainable development of particular area is depends on various factors i e. relief, soil, drainage, forest, net sown area, geographical area, etc. All these physical as well as cultural factors are responsible for level of sustainable development in the study region. For this study Kan basin of Dhule district has been selected as a study area. The analyses of various geo-cultural factors are the basic geographical causes behind that level of development. It means sustainability is depends on various parameters. All primary and secondary information collected from field sampling survey and socio economic abstract of 2005-06. The standard Z-score techniques, composite score, AutoCAD and G.I.S. software's have been used for the research. Out of 35 villages in Kan basin 10 villages (31.4%) are *medium level* of development due to their composite score range between 0.00 to 0.05 in which one village i e. Dhaner in hilly, 03 are plateau ad 06 are in plain region remaining 25 villages (71.41%) are have *low development level* in the basin because of their composite score is less than zero. *High level of development* villages are not occurred in the study area.

Keywords: Sustainable development, watershed, multidiscipline, Composite score, Z score, high development, medium development, low development.

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The production process of cultural creativity from a spatial perspective

In order to unfold the entire regional-bound creative potential in contemporary economies, a systemic understanding of the production process of cultural creativity is essential. In the past, economic geographers and

regional economists elaborated models focussing mainly on technological creativity (innovation) and economic creativity (entrepreneurship). In these models early stages of the creative process were brushed off as “fuzzy front end” „pre-development“, „up-front activities“. This absent examination led to an ambivalent understanding of terms like creativity, innovation and entrepreneurship. In order to fill this gap the paper initially presents a systemic model of the production process of creativity in general. This model is an extension of Csikzentmihalyi’s famous systemic view on creativity and allows (a) to differentiate between different forms of creativity (cultural, scientific, technological, economic) (b) to delineate the production process of creativity and (c) to integrate a spatial dimension. This framework acts as the point of origin for the overall objective of the paper, namely, the application of this model on cultural creativity. Although the production process of cultural creativity shares basic features and is intertwined with other forms of creativity, it has some unique characteristics. These characteristics will be explored through a detailed analysis of the three main stakeholders in this model: creative individuals, creative communities and creative markets (industries). Each of these stakeholders is a critical evaluator at a certain stage responsible for recognizing cultural creativity as such. The pivot feature of this process is the production of difference. Difference can be best recognized when it shares the following three characteristics: new, useful and valuable. I argue that a specific spatial configuration can catalyze this process and can be adumbrated in the form of Scott’s creative field. The paper concludes with the description of the creative field which contains all necessary components in order to display the production process of cultural creativity from a spatial perspective.

Keywords: Creativity, production of culture, space, creative field

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Social enterprise and alternative economic futures: From vanguard to guards van?

In a period of global financial and environmental crisis, current debates over alternative economic futures commonly focus upon the potentialities of the social economy as a viable option situated between the market and the state. One consequence of this has been for social economy development paths to become increasingly evident in an array of policy discourses and interventions across spatial scales from local to global. At the heart of much of this policy activity is an emphasis upon the promotion of social enterprise as the organisational form to drive social economy development. Yet this policy promotion of social enterprise activity raises fundamental questions both concerning its transformatory potential and the type of refashioned social economy it will build. This is particularly important given that much current policy practice remains rooted within a dominant neo-liberal, free enterprise and small state economic development model, rather than more radical discourses which seek to reformulate the values and structures of ownership, control and participation which underpin economy-society relations. This paper provides an in depth critical evaluation of these debates. It examines the case of the current phase of policy led social enterprise development within the United Kingdom, where social enterprise has gained a new level of national level policy prominence largely as a complement to the mainstream capitalist economy. Drawing upon an extensive review of existing research combined with original empirical analysis from secondary data sources, the paper identifies the nature and scope of contemporary social enterprise development in the UK and its inherent contradictions. The analysis identifies a number of key dimensions of social enterprise activity: competitiveness, sustainability, diversity and scale. The paper then considers the relation between social enterprise development and processes of market and state restructuring in relation to these dimensions, to assess the scope for social enterprise activity to provide alternative or parallel development spaces. The evidence presented demonstrates the multiple ways in which social enterprise activity plays into and supports the development of mainstream capitalist development within the UK, but also identifies those areas in which it continues to provide sites for advancing alternative visions and values for economy-society relations.

Keywords: Social enterprise, alternative economic geographies, social economy, economic and social policy

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Agenda of geography of local industries in Japan in relation to the internationalization of management

Local industries, called "jiba sangyo" in Japan, have been struggling to survive in the age of globalization particularly since the 1980s. For a long time, over a century in many cases, those local industries have been played crucial roles in local economies and societies where they are located. Firms of those local industries have been likely to be located in small areas in their regions for a variety of reasons such as existence of labor force and raw materials. So far, many geographers in Japan have kept attention to those local industries and have been trying to explain their spatial structures. Currently, some *jiba sangyos* are making efforts to internationalize their operations: the glove-related industry in eastern Kagawa and the towel-related industry in Imabari, Ehime, both in Shikoku in southern Japan, are good examples; both of them consist of small and medium-sized companies, but the former has about 90 percent share in the Japanese market and the latter has about 60 percent, still keeping the dominant status in the country through internationalization of production processes mainly in China. On the other hand, since the 1980s, economic geographers, particularly in Europe and the United States, began to pay attention to spatial agglomeration of industry in the different fashion. To date, many studies have been conducted to explain their spatial processes and meanings: representative topics are embedded and shared implicit knowledge in local places and learning region as the center of knowledge creation and innovation. At the same time, globalization of economy have also urged many economic geographers to examine its spatial patterns and its influences on firms' behavior and performances; structures of multinational corporations, processes of internationalization of firms, intra- and inter-firm relations and strategic arrangement of multinational corporations have been main themes. Previous studies have focused mostly on large firms, although small and medium-sized firms are also trying hard to establish foreign plants and offices to form own "glocal" networks. To date, however, in spite of the fact that agglomeration and globalization are closely connected each other, they are likely to be argued separately. Thus it is possible to say that the study of the internationalization of management of the local industries in Japan could be a good example to bridge those two arguments, which might contribute to expand our understanding of today's rapidly changing global and local economy.

Keywords: Local industry, agglomeration, internationalization, management, Japan

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Building Shinkansen (Bullet Train) at the sacrifice of the local rail passengers: Scrapping of the 'Parallel Conventional Lines'

Japanese bullet train originated in pre-WWII era as the militaristic endeavour to build transport spine connecting Tokyo with the Asian continent via Korean peninsula all the way in standard gauge. After Japan was defeated and as post-war Fordist economy picked up, the project came back with different connotation, to enhance capacity and speed of the conventional trunk line running along the Pacific Belt from Tokyo to Fukuoka. This was the first high-speed railway deploying leading-edge technology to operate trains at 200km/h or more. It was built and managed by the Japanese National Railways (JNR), and the conventional lines running in parallel was retained under the JNR management as the integrated part of the nationwide railway system, using cross-subsidy accounting. After the neo-liberalist turn of Japanese economy and the privatisation of the JNR came into political agenda in 1980s, however, the government set up a new policy to disintegrate those 'parallel conventional lines' and transfer it to the hand of the public-private partnerships with auspices of prefectural government, in order to promote extension of national high-speed rail network further. This 'rescaling' of local railway operation and scrapping of cross-subsidy arrangement however created many concomitant problems: e.g. further burden on the finance of prefectural government and the travellers forced to use the disintegrated sectors with higher fare and train transfer made inconvenient. This paper deals with this neo-liberalist turn of the Japanese high-speed railway policy and related conflicts between the national and local states with respect to this 'parallel conventional line' issue.

Keywords: Parallel Conventional Lines, Bullet Train, neo-liberalism, cross-subsidy, public-private partnership

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Tourism management as an economic development tool

Probably the greatest single deterrent to tourism development is the lack of appreciation and enthusiasm for tourism by civic and business leaders. When tourism is not understood and its benefits are unclear, planning and implementation of measures to improve the industry are often lacking. Global tourism has

become the largest industry in the world, with nearly 500 million consumers of tourism services per year spending hundreds of billions of dollars. The industry provides employment to over 100 million people worldwide. In view of tourism's increasing role in economic activity, the factors affecting its performance should be analyzed. An understanding of these factors is crucial to determine the ways in which national and international financial institutions, NGOs, and other entities can play the most value-adding role. This paper provides a brief profile of key factors and trends in tourism and their economic effects at the global, national and regional levels.

Keywords: Tourism, economic development, supply and demand, GDP

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Resilience in areas of intensive agriculture?

The paper investigates how areas of intensive agriculture have been impacted and have responded to the recent global recession. The aim is to better understand the resilience of places, by using the Oldenburger Münsterland in north-west Germany as case study. The Oldenburger Münsterland embraces the two districts of Vechta and Cloppenburg, which have an exceptional position in Germany with respect to their economic structure and dynamics. The economic success of the so called "Silicon Valley" for agricultural engineering is mainly based on intensive livestock farming and the related food processing industry. A recent boost has come from the extensive construction and use of biogas systems. The region around Vechta is also one of the most important strawberry growing areas in Germany. The paper is organized in the following parts. First, it discusses the multiple conceptualizations of resilience from a geography perspective. Second, it outlines territorial aspects of resilience as an emerging research field. Third, it demonstrates how a relational framework which emphasizes the strategies of globalizing agribusinesses can deepen our understanding of the explanations of the resilience of places.

Keywords: Resilience, areas of intensive agriculture, Oldenburger Münsterland, Germany

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Optimum site selection analysis and its economic aspect regarding multipurpose emergency evacuation center in Tehran

With increasing population and their relevant needs, the destruction and damaging power and magnitude of natural disasters have been intensified. In other words, the Earth is more vulnerable than it used to be. There fore, planning prior to disaster is being considered as an important issue facing urban planners in the area of disaster management. Iran as a high-risk country in terms of natural disasters requires high urban management considerations to mitigate negative urban disaster consequences. As a case in point, Construction of multi-purposes emergency evacuation shelters in recent years has been in the agenda of Tehran Mitigation and Management Organization. Moreover, Locational analysis and site selection survey is very notable in this regard. This study aims to carry locational analysis and site selection survey of these types of evacuation shelters for municipality subdivision number six in Tehran. It is argued that this particular subdivision located in center of Tehran, is among one of the oldest and the most dilapidated ones. However, it houses major governmental complexes, offices and service facilities at regional, national and even international levels. Moreover, It possesses high daytime as well as general population density. This subdivision represents a thoroughfare for arterials intersections and confluences. In effect, it is a beating as a "heart of the city".

Methodologically speaking this study will be predominantly based on spatial analysis using Arc GIS software.

As a first step, general area for construction of multi-purpose emergency evacuation shelters will be defined.

This will be followed by proposing the determinant factors responsible for site selection: The factors include some geomorphic specifications, population density, locational properties, physical characteristics, regarding accessibility safety, suitability and compatibility considerations. Proximity to compatible urban land uses namely hospital, open spaces; fire stations are believed to be of great values. However, appropriate distance from faults, slopes, underground water tables along with suitable distance from gas station, high voltage electrical lines, high rises, hazardous industrial facilities and infrastructures and metro-stations are other factors that will be taken into consideration as far as the safety issue is concerned.

Preparation of the corresponding informative layers and relevant factor maps based on defined standards indicating the nature of the impacts as well as the relative importance and magnitude of each factor would consider as a next step

Last step will deal with assigning weighting procedure to different informative layers using Analytical Hierarchy Process model along with Super Decision. As a further step, factor maps based on the weight of the layers will be combined together. This is followed by application of overlay index, fuzzy gamma, fuzzy algebraic product, and fuzzy algebraic sum.

Keywords: Locational analysis, disaster management bases, Geographic Information System, Analytical Hierarchical Process, overlay index, fuzzy logic, Tehran

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India's farmers' producer companies: Capturing more value in agricultural supply chains

Producer Companies are groups of smallholder farmers aiming at the enhancement of their livelihoods and communities through improved production methods, input supply, and market realization. In India, they have slowly emerged following the year 2002 government's introduction of the Producer Companies model in the corporate law at the national level as an alternative organisational form to the traditional cooperatives. Although cooperatives have a long tradition and are prevalent across India's agricultural systems, they are no longer seen as supportive to individual participating farmers, owing to the bad image associated with the high level of political leverage. The organizational structure of Producer Companies is however completely new in the history of Indian farmer collectives, basically functioning on the basis of corporate business principles. This model intends to combine the efficiency of a company with the 'spirit' of traditional cooperatives and thus tries to establish practices of 'modern' businesses within farming communities and to bring industry and agriculture closer and boost rural development. Producer Companies in India have emerged around various crops and in many different organisational structures. While some focus more on the input side of production, others' main goal is to link to modern markets. The latter will be analyzed in greater detail in the frame of my presentation as they attempt to use the emerging opportunities presented by the increasing market share of modern retail in India. Producer Companies organize production and output marketing in a more professional way than individual farmers or traditional cooperatives are able to and thus promote themselves as an attractive trading partner for modern buyers. By integrating more value adding processes into their own business, and by improving their ability to access markets, Producer Companies contest the power increasingly exercised by modern retailing and processing businesses in India over agricultural production methods, farmers, and prices. In my presentation I will (1) elaborate on the ideas behind the Producer Company model, as a hybrid between a private limited company and a cooperative society, and expound on reasons for its still hesitant take-off; (2) discuss Producer Companies' functions and continued progress in different Indian states; (3) assess their potential for a greater participation of India's farmers in upcoming market opportunities; and (4) provide a critique on the suitability of the model to different farmers and crop farming systems.

Keywords: Producer Company, agro-food network, India, collective action

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Overeducation and geographical externalities in the EU: The combined moderating influence of migration and gender

This paper uses a bivariate probit model with sample selection, geographical externalities and interaction effects and data from the European Community Household Panel survey to address the question whether and how wage and education externalities affect the propensity for overeducation in the EU. It looks at the extent to which geographical wage and education externalities can explain the phenomenon of overeducation, and whether these effects vary between stayers and movers (intranational and international immigrants) and between males and females. The results show that the per-capita wage of a region where an employed person lives, its educational endowment and the average per-capita wage of its neighbouring regions can explain the phenomenon of overeducation – but not the employment probability – and these effects are moderated by the combined influence of migration status (locals, intranational immigrants and international immigrants) and gender. However, the sign, scale and significance of the coefficients on externalities seem to reject the hypothesis that the magnitude of the negative impact of geographical externalities on the risk of overeducation is higher for male international immigrants, as they look for jobs in global labour markets which are full of pecuniary and technological externalities, and lower for females as they are 'tied stayers' or 'tied movers'. The results show that geographical externalities have either no or less impact on the risk of overeducation for international immigrants, due to a lack of or inadequate knowledge of the foreign environment and the language and cultural barriers. International immigrants are working in occupations and in regions that fail to utilise their qualifications and skills. Other results show that the higher the educational attainment of an individual, the higher the employment and overeducation probability. This shows that highly-educated people are better informed about the labour market and have relatively higher qualifications and skills which increase their job opportunities, but they cannot find these opportunities to meet their aspirations closer to their qualification and skills. Not only do both probabilities increase with higher levels of general or higher education completed, but the combining influence of migration and gender also plays an important role. Overall, migration in regions that are full of externalities cannot be seen as a means of avoiding overeducation. This is important in helping policy-makers to understand the importance of geographical factors behind overeducation. Although European immigration policy aims to reduce the mismatch between educational attainment and job requirements in a European context, the results show geographical imperfection in the European labour market, which implies costs in efficiency.

Keywords: Overeducation, externalities, migration, gender

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Regional science and new economic geography in the Academia of Japanese Economic Geography

The founder of Regional Science, Walter Isard closed his life of 91 years on November the 6th 2010. In the summer of the year, the author attended at the 50th Anniversary European Congress of the Regional Science Association International at Jönköping, Sweden, but he could not find any other economic geographers from Japan there, except himself. It is widely known that some regional scientists like Masahisa Fujita, Paul Krugman and Anthony Venables have proposed “New Economic Geography,” but in Japan some of the economic geographers have been at a distance with the new discipline; some people even think the new discipline as a neoliberal one, although Isard himself had developed anti-war Peace Science and Environmental Science as well known. Aside from it, in Japanese Economic Geography, we can see not a short history of influences of Marxism, but Marxist Economic Geography in Japan has recently lost its power to analyze regional problems such as disparities, although in this country we can easily see uneven distribution of population, capitals, goods, services, information and power. And even Marxist Numerical Economic Geography has only little power in Japan, too. On the contrary, some social engineers, most of whom are members of Regional Science Association, have taken up the regional issues. Also Fujita, who treats regional disparities, is not the exception; he originally came from social engineering. But anyway even in these disciplines researches from rather micro scale-leveled perspectives relatively lack there. Under these conditions a new alternative way of the discipline is eagerly awaited. In the world of Japanese Economic Geography, Marxist Economic Geography which is to have to research regional problems, seem to be shrinking gradually. In addition out of the country New Economic Geography and Regional Science have been energetically dealing with the problems, but the Japanese Economic Geography is almost in a situation of isolation peculiarly both in theoretical and practical fields, like as the period of national isolation policy in the Yedo (premodern) era. Then here the author, who is in major of research of marginalized regions, would like to try to offer some materials to think about the problems of Economic Geography in Japan from an alternative perspective, although the presentation would become somewhat a rough one to be polished up.

Keywords: Japanese Economic Geography, alternative geography, regional science, New Economic Geography

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Value in economic geography: Considerations on perspectives of subjectivist and consumer-orientated concepts

Traditional models of economic geography – as well as in classical economics – are characterized by a predominance of an objectivist and productivist concept of value: Goods are produced at certain places with special locational advantages for a given demand. The value of the goods is taken for granted; respectively the added value is defined by the production costs (including the entrepreneurial margin). Neither consumption nor marketing play any important role in this model world. Consumers are satisfying their needs by buying goods, and marketers help to connect supply and demands.

In contrast to this objectivist conceptualization of value, many popular authors describe the contemporary world economy as being characterized by “consumer capitalism”. Value is less a function of physical manufacturing and transportation costs, but rather of signs and styles that result from designing and standardization activities as well as all forms of producing symbolic values like marketing, advertisement, branding.

The paper discusses some approaches of considering subjectivist concepts of value in economic geography. It argues that subjectivist and relational notions of value could help to integrate both the consuming subject and marketing activities in the analysis of local and global circuits of value.

Using empirical findings of the analysis of fashion markets and fashion brands in post-socialist Bulgaria I want to show interdependencies and contradictions in adding value and the perception of economic values. Based on these examples the paper discusses the question of how economic geographies (places and spaces of creating value and devaluation) are performed by consumer habits and marketing concepts. The case of fashion markets in Bulgaria show how spatial formations of value creation are decisively shaped by the anticipation of consumers’ wants and lifestyles. The evolution of new consumer markets in postsocialist Bulgaria offer further insights into how consumerism as a dominant discourse in the economy brings out (or is based on) very different concepts of value compared to productivist regimes of the economy.

Keywords: Value, productivism/consumerism, subjectivism/objectivism, fashion markets/brands, post-socialist Bulgaria

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Rebalancing the Portuguese economy: The limits of cohesion policy priorities in an era of austerity

The unbalanced nature of economies and its geographies has been at the centre of the economic downturn explanations. The recovery is paying attention to the ‘rebalancing’ growth as a way to overcome the causes that generated the crisis. However, recent financial problems and subsequent state rationalization and public investment cuts may hinder a more rebalanced economic growth. The current economic situation and public intervention strategies and its implications to regional development in Portugal are the aim of this paper. As many other countries, Portugal has a strong regional concentration of economic activity and has experiencing an increase in regional inequalities, specially as a result of Lisbon and Oporto city-region dynamics and public investment on large-scale public investments which have been central to attract inward investment and create employment. European Structural Funds and public investment have counteracted the spatial concentration trend with limited success. After a decade of moderate growth, the country is entering an era of austerity and facing serious cutbacks on public investment affecting regional economies more balanced growth. On the one hand, economic downturn has generated a considerable unemployment growth and outmigration flows especially in poor regions of the country and on other hand public investment plans to achieve a more rebalanced economy and geography have been frozen (like airport infrastructure or high-speed train network) and likely to concentrate on export sectors. In this paper, we discuss the Portuguese regional ‘rebalancing’ issues in an economic slowdown period paying attention to changing economic and regional policies. First, we briefly present regional disparities evolution and discuss the effect of regional development policies. Second, we analyze major effects of economic slowdown and Portuguese regions performance, paying special attention to Lisbon capital city-region case. Third, we discuss the tensions between territorial cohesion and economic efficiency policies and its spatial outcomes. The paper concludes that economic growth objectives are surpassing territorial cohesion ones regardless of its geography and the spatial outcome although unclear is probably a more concentrated one. Finally, some policy implications are discussed to achieve a regional economy rebalancing in an austerity and state rationalization era.

Keywords: Rebalancing, territorial cohesion, regional policy, Portugal

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Social networks and actual knowledge flow in the Irish biotech industry

This paper explores the structures of knowledge flow and innovation among SMEs in the Irish biotech sector. In particular, the paper addresses two main research questions: (1) What are the structural characteristics of knowledge and innovation networks in the Irish biotech sector and are these conducive to knowledge flow? (2) Are these networks exploited for local knowledge flow? The research design involved a mixed methodology, involving social network analysis, interviews and a focus group meeting. Social network analysis was applied to investigate the extent and structure of formal and informal networks and their related knowledge flow in the biotech industry. The paper analyses the structure of three networks: company directors, inventors and spin-offs in the biotech sector. In addition, interviews were conducted with biotech sector actors and experts to obtain more detailed insights into the character of the knowledge flow. The social network analysis shows that networks do exist in the Irish biotech industry and that both the formal networks and the informal networks have small world characteristics. This means that the network structures are conducive to knowledge flow. However the formal network is noticeably less clustered than the informal network, which would suggest that the informal networks are far more conducive to knowledge flow than the formal networks. Knowledge in the formal network is therefore expected to flow and diffuse in a different, slower manner. The analysis of actual knowledge flows is surprising, at least at first glance. The formal network of spin-offs turns out to be the most intensely exploited, notably for technical knowledge flow. On the other hand, the network that was suggested to be most conducive to knowledge flow according to the social network analysis exercise, the network of company directors, appears to be strongly under-exploited - both for technical and know-who type knowledge flow. However, the fact that most biotech companies make a lower than expected use of the informal networks for the active or intentional search for know-who type knowledge concerning the local industry does not mean that these networks are not exploited or not valuable. The Irish biotech industry is small and it is precisely due to the long-term participation in the local informal networks that most established actors are, and remain, (passively) informed about the relevant players in the local industry. In addition, the interviews do suggest that less established firms do rely more strongly on their informal networks for know-who type knowledge and introductions to local actors. Finally, the informal networks do play a significant role in (intentionally) obtaining know-who type knowledge about non-local actors.

Keywords: Social networks, biotech, Ireland

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The spatiality of knowledge flows. Learning and adaptation of process technologies

The paper reports from an ongoing study of knowledge diffusion and learning in mechanical/machine manufacturing in Norway. Focus is on process technology, the adaptation of technological and organizational innovations, and how this relates to the absorptive capacity, size and location of the firm. Most of these innovations are incremental and based on learning processes involving partnership with external agents. The first part of the paper includes a literature based study of knowledge diffusion and adaptation and how this relates to the business dynamics of the firm. A particular focus is on the debate of the spatiality of knowledge flows and how firms exchange and develop knowledge through inter-organizational relations. The capacity to adopt and develop new knowledge and transform this to innovation is related to the absorptive capacity of the firm and its specific business environment. The suggested importance of spatial proximity is specifically emphasized. This part ends with some critical questions about the spatial structure of innovation systems and regional innovation policy; particularly the emphasize of the importance of public technology transfer centers and regional research institutions. The purpose of the next section is to map the spatiality and institutional setting of knowledge flows and to test the influence of location and absorptive capacity on the spatial outreach of the firm's knowledge network. The empirical part is based on the combination of two data sets. The first is from a 2010 survey focusing of knowledge diffusion, adaptation of process technology innovation, capabilities and strategies of the firm, the firm's inter-organizational arrangements in learning and the importance of the firm's locale as a source of knowledge. The firms included represent the "normal" manufacturing firm of most regions, - a medium sized firm in the mechanical/machine industry, located in peripheral as well as central regions of a country. The second set reports on the economic performance of these firms over a period of ten years (1999-2009) – growth, profit, value added etc. based on accounting data. 150 firms, representing 25 % of the total population, are included in the combined database. Summary statistics and regression analysis is used. Lastly the paper suggests some policy implications of the findings.

Keywords: Learning, absorptive capacity, process technology, innovation system, economic geography

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The LEADER territorial approach in European rural deprived areas: Building institutional capacity in Cuenca Province –Spain–

Since the 1990s, Europe's rural areas increasingly embraced local action and local development solutions to face the challenge of the continued re-structuring of the agricultural industry. At the same time, in both the EU and Spain, a policy discourse has emerged which envisages a fundamental shift in support policies for rural areas from a sectoral approach (essentially agriculture) to one that is territorial. A pioneer role in these developments has been played both by the EC's LEADER Programme and the Spanish PRODER one. From a poor base of entrepreneurial activity in rural Cuenca Province, LEADER and PRODER area-based local action groups have acted as beacons for developing new approaches to diversifying the rural economy. A key role having in mind that the province shapes a so called "Sparsely Populated Region", as defined at NUTS scale in the *Green Paper on Territorial Cohesion* (2008) of the Commission of the European Communities, with a population density of less than 12.5 inhabitants per square km. Therefore, our focus will not be on the output figures (jobs created, small firms started, etc.) emerging from LEADER and PRODER programmes, but rather on how the development potential of rural areas has been unlocked through a discursive process involving multi-sectoral stakeholders. In essence, local development programmes in Cuenca enabled a fundamental reappraisal of the rural resource base, involving a shift from a single-sectoral agricultural support to a wider multi-sectoral approach for the rural economy. In short, although the quantifiable outputs from LEADER and PRODER in Cuenca may be limited, the projects developed under both programmes have acted as demonstration projects, providing an ability to develop a "rural vision" that may be central in managing future change. Nevertheless, this communication also will try to highlight a number of limitations or weaknesses in the partnership process undertaken by a number of local action groups. This contribution charts the operational terrain of LEADER and PRODER local action groups in the province, suggesting that their strengths have been in developing the institutional capacity of rural communities and brokering connections in the local economy. Examples will be considered which illustrate enhanced coordination and collaboration of local economic actors and sectoral interests, and a strong facilitator role for LEADER and PRODER groups in the local arena, with an explicit rural focus.

Keywords: LEADER programme, local development, rural deprived areas, Cuenca, Spain

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Spatial shifts in China's crop production systems from 2000 to 2009: Implications for domestic and global trading patterns

Since the late 1990s, systematic efforts to re-organize and energize China's farm sector have increased dramatically. Programs range from infrastructural improvements targeting irrigation systems, rural roads and post-harvest storage and processing facilities, to "soft infrastructure" efforts to improve local access to credit, improve farm extension services, and promote genuine farm cooperatives. Many of these plans are now funded through Comprehensive Agriculture Development (CAD) programs first promulgated into law in 1988, but only heavily funded since 2000. The recent CAD efforts backed with remarkable levels of investment from central and provincial governments and locally-administered land, human capital, and technology improvement programs are raising yields and gross production of grains, oil crops, and cotton throughout the nation. This article will review the most important CAD and extension programs, report on changes in crop yields and gross production at the provincial scale and link these changes to farm incomes and international commodity prices for the years from 2000 to 2009. While costly, nationally funded CAD efforts certainly have placed the farm sector on more reliable footings. The investments and policy efforts discussed above, ultimately directed towards the creation of a modern farm sector in China, have proven in the short run successful both in terms of increased gross production and higher yields for all major crops. Total grain (including soybeans and tubers) production increased for 5 consecutive years beginning in 2004 from 496.5 million tons to 530.8 million tons in 2009. Corn production increased 54.7% from 2000 to 2009 while for the same period, rice increased by only 3.8%, and wheat by 15.5%. China's long-term food supply seems reasonably secure. In 1978, despite a significantly lower population, per capita grain production was only 316.6 kg. In 2009, per capita grain output was over 406 kg. The stated goal of 500 kg /person by 2020 is ambitious and only time will tell if this goal can be achieved, but there is every reason to believe that a figure close to 400-450 kg. /person can be maintained for some time. The emphasis on corn and wheat represent distinct planning decisions related to risk mitigation strategies linked to anticipated shifts in international grain commodity futures markets. Of course, increases in crop production are not uniform across the nation, and the greatest success has occurred in central interior and northeast provinces where much low-yielding or "at risk" crop land has been upgraded. Farmers in these areas may well be more receptive to on-farm development efforts as higher shares of household income are derived from crop production in these regions. Despite higher yields and greater gross production, however, rural incomes have risen only slightly in the interior and the northwest provinces over the same period. In short, security goals related to national grain production are being achieved, but with limited effect on rural farm incomes, an issue of increasing concern to government planners in the farm sector.

Keywords: China, agriculture, rural development, grain, global trade

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Consumption or productivity: Human capital spillovers in Dutch cities

It is well known that migration decreases with age, so being able to attract human capital when it is most mobile, in the period after college or university graduation, has become an important policy objective for Dutch cities. In both scientific literature as well as among policy makers there is much attention through which channels human capital exerts its value on the regional economy. Literature has pointed to the role of human capital in generating endogenous growth. Production spillovers have been at the center of attention, but more recently consumption spillovers have been studied as well. These production and consumption spillovers have been found to create city employment growth for both the higher as well as the lower skilled in different contexts. Larger Dutch cities have a support function for the surrounding region, for example in providing labour market opportunities for individuals who seek the more tranquil life outside of the city, or the reverse case where the city provides a living environment rich with more urban (housing-)amenities, for individuals using its developed infrastructure to commute to (nearby) localities for work. Whether, and under which conditions, the focus of local policy makers should be on either high human capital inhabitants, or workers, or both, in order to benefit from either production or consumption spillovers, is not very clear. To what extent can cities benefit from consumption or production spillovers from high human capital individuals living and / or working in the close vicinity? Human capital is mobile, and cities can be regarded as perfect open economies in that sense. Processes such as longer distance migration, but also shorter distance suburbanisation could, each in their own right, affect urban growth. The question thus remains whether it should be the city, or the larger region with its broader scope of amenities on offer, that policy makers should be taking into account when trying to retain or attract graduate human capital. How does graduate human capital, moving into the city and / or the region to work and live affect city growth? Should local authorities focus on working or housing amenities? A second issue is whether the cities are able to attract graduates with disciplines that provide a good match with the local labour market. Previous studies have shown that migration patterns and location choice differ between

graduation disciplines. Do the various spillover effects differ between fields of study, for example graduates in creative fields versus engineers? In this study we focus on the effects on city employment growth of attracting diverse groups of graduate human capital, to the city- or regional housing and labour markets. We apply a micro dataset on young Dutch university and college graduates as well as the Dutch registry of firms.

Keywords: Recent graduates, city growth, human capital spillovers, housing market, labour market

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Diamond cities in the global diamond pipeline

In this paper, we discuss the (re)production of diamond cities in the context of the changing economic geography of the diamond sector. In line with the broad literature on transnational networks of production, distribution and consumption centred on one specific commodity (see among others global commodity chain, global value chain and global production network approach) the diamond sector is scrutinized through the ‘diamond pipeline’ concept. This concept is the input-output structure of the (gem-quality) diamond sector, which embraces the sequence of value-adding activities starting with the mining phase and ending with the retail of diamond jewellery. Since the emergence of the diamond pipeline, the diamond sector has at the same time been characterized by a global organisation and concentration of its different steps in specific parts of the world. In this paper, contemporary geographical anchoring of the diamond pipeline phases is examined through an analysis of location strategies of major diamond companies. These companies are manufacturers and/or traders of rough/polished diamonds that are increasingly operating globally across the different steps of the diamond pipeline (i.e. vertical integration). The analysis shows that although the functionalities of traditionally incorporated places are shifting, long-established world diamond centres, such as Antwerp, continue to be vital geographical nodes in the diamond pipeline. However, these days each phase of the pipeline is characterized by a growing geographical extent. In the midstream part, we see an emerging specialization, i.e. rise of free trade zones (e.g. Dubai) and low-wage countries (e.g. India), whereas in general the sequential value-adding activities are increasingly overlapping in spatial terms (e.g. diamond mining countries upgrading to diamond manufacturing countries). Nevertheless, the diamond sector remains mainly geographically anchored in a small number of specialized cities, so-called diamond cities, especially Antwerp, Tel Aviv, New York, Mumbai, Dubai and Hong Kong. In accordance with Friedmann’s ‘world city hypothesis’ the most important cities of the diamond sector are the main location of diamond companies’ headquarters, whereby based on our analysis a city such as Mumbai is of greater importance than New York. To comprehend the rise, stagnation and fall of diamond cities and moreover their role and importance in the diamond sector, we consider not only the role and business strategies of major diamond companies, but also a host of social, political and cultural factors of embeddedness, such as trading networks based on ethnicity and kinship.

Keywords: Economic/urban geography, diamond pipeline, diamond cities (Antwerp, Tel Aviv, New York, Mumbai, Dubai and Hong Kong), world city hypothesis, embeddedness

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The geography of mergers and acquisitions in Europe

In recent literature, it is stated that the network society came into being as a result of developments in transport and communications technology, the creation of a common market, the individualisation of production and the spread of multinationals. The increased amount of Mergers and Acquisitions (M&As) constitutes one of the key features of the current network economy. Over the past decades, cross-border Mergers and Acquisitions (M&As) have become the dominant form of foreign direct investment (FDI), representing about 80% of all FDI. Despite a rich theoretical and empirical literature on cross-border M&As at the national level, research on sub-national patterns of cross-border M&As has been limited. This is unfortunate as there are not only large regional differences between countries in cross-border M&A activity, but also between regions within countries. Cross-border M&A represent drastic reorganisations of head offices and economic management as well as global movements of capital, technology, goods, services and the integration of subsidiaries in global networks, which in turn has major implications for the development of regional economies. However and most important of all, these corporate takeovers represent spatial shifts in management and control functions between regions from the headquarters of the acquired firm to the headquarters of the bidding firm. In this, it is important to realize that companies both influence the development of regions and are influenced by their respective territorial contexts in terms of the decisions they make. In this article, we use information from the Zephyr database to examine the pattern and drivers of cross-border M&As in Europe at the regional level (NUTS-2) for the period 2000-2009. In particular, we pay attention to the cyclical behavior of M&As. An investigation of the M&A pattern reveals that economic power and corporate control are gradually concentrating in only a few metropolitan regions in Europe. Utilizing spatial interactions models, we try to explain the location factors that explain the pattern of M&As across Europe. In particular, we focus on the role of proximity in shaping the spatial structure of M&As.

Keywords: Mergers and acquisitions, Europe, regions

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Regional structure evolution of knowledge network in the field of biotechnology in China

Knowledge network is a kind of inter-connected network that is born in the process of diffusion and communication of knowledge by the actors who create, transfer, absorb and apply knowledge, such as enterprises, universities, organizations and institutions. Network structures may exert influence on the actors and regions involved, and the potential for successful knowledge absorption and learning may be partly determined by network positions. Up to present, there are no researches about the evolution of spatial structure of knowledge network in China. In recent years, the evolutionary economic geography in Europe and USA begins to explore the spatial structure and evolution of knowledge networks from the geographical angle. But because of language and cultural barriers, the western research more focused on international knowledge flows and connections about knowledge networks in China. The evolution of Chinese domestic knowledge networks rarely involved. This paper takes statistical data of the papers published in cooperation in the field of biotechnology both from the database of ISI (international) and VIP (Chinese), and patent application in cooperation in the field of biomedicine from the database of CNIPR (China Intellectual Property Net) from 2000 to 2009 as data source. Based on the theory and methods of social network analysis, it uses UCINET and Pajek to analyze and compare the regional structure evolution of academic knowledge network (from co-authorship of paper) and industrial knowledge network (from co-authorship of patent). Purposes of this paper are: 1) establish the estimation model to analyze the formation mechanism of spatial patterns of knowledge network, to reveal the dynamic mechanism of its evolution, 2) provide some advice to the government for policy making of national innovation system.

Keywords: China, knowledge network, Social Network Analysis, biotechnology, scientific research collaboration

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“May god bless our injured land and we helpless herders”

The plea in the title of this paper is by Mongolian herders from Ongniud Hushuu, Inner Mongolia. It is a response to forced ecological migration (生态移民) on the steppe of Inner Mongolia. This paper tells the story of that forced ecological migration. Ecological migration is actually a form of dispossession, eviction and forced migration, which has multiple origins – the modernising goals of the state, pressure from conservationists and ethnic politics – and is not simply understood through economic logics. Its story highlights how environmental change, the modernising goals of the state and the politics of science confront culture and identity to produce

ethnic conflict and disputes over history. This program, envisioned by the central government, planned by the government of the Inner Mongolia Autonomous Region, and implemented by league and banner governments across the grasslands, is ostensibly a rational response to widespread and increasing degradation of Inner Mongolia's grasslands. The plan was to evict 650 000 people from their pastoral holdings and ban open-range grazing on half of Inner Mongolia's usable grasslands by 2005. The plan alleges that pastoralism as now practised accelerates environmental degradation on the grasslands. Consequently, pastoralists, almost entirely Mongols, are made to abandon traditional land practices and forced into ecological migration. However, this official explanation can be disputed. The rate of degradation of the grasslands is far from settled. Furthermore, the history of land use, land administration and settlement on the grasslands since the People's Republic was founded in 1949 tells a different story. This other interpretation of degradation emphasises not numbers of animals or practices of herders but rather policies of land enclosure, crop cultivation and immigration into Inner Mongolia that have been encouraged by successive government leaders and that hamper the land use decisions of herders. The paper argues that the uniform institutions of land management in China (developed in cultivated areas) came in conflict with the demands of appropriate environmental management on the pastoral steppe to create what has become a disaster for pastoralists.

Keywords: China, grasslands, pastoralism, colonialism, environmental management

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Making a climate change adaptation industry in Kiribati

This paper will present the preliminary findings from field research conducted in Kiribati on the Kiribati (climate change) Adaptation Project (KAP). Drawing from the literature that focuses on development institutions as a nexus of knowledge-power-ideology, I will analyse the role that information and measurement play in climate change adaptation and, in particular, the World Bank-implemented KAP. My field observations indicate that a significant amount of time, effort and money was spent defining what it means to do climate change adaptation, which in turn must be justified by legitimating consultant reports, biophysical measurements and recommendations of 'Best Practice' which persistently negate the 'capacity' of local systems of measurement and skills. I will ask why climate change adaptation projects are focused on creating a new body of expertise and never-ending realms of calculation. I argue that these calculations, as well as project management practices, act to individuate the seemingly interconnected elements of climate change adaptation. For example, diverse project components and project practices separate sea level rise calculations, freshwater resource management and coastal defence construction. This separation enables climate to be governed through standard environmental governance practices. However, I suggest that climate change adaptation is more than the sum of these individuated parts. Not only do these separate components interact in complex ways, but together these components create a new type of project and industry. The KAP is a central actor in the novel industry for climate change adaptation, and it lends legitimacy to the World Bank (the KAP implementer) and the Global Environment Facility (the KAP funder). For example, the World Bank uses the KAP as an example of its expertise in climate change adaptation, which was particularly relevant when the World Bank was appointed trustee of the UNFCCC Adaptation Fund. In other words, the KAP - as a pilot climate change adaptation project - is more than just helping manage the risks of sea level rise. In addition to helping the I-Kiribati adapt to climate change and to governing climate through project practices, the KAP is also becoming an object which circulates in the international market for climate change adaptation expertise and funding.

Keywords: Climate change, adaptation, governance

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Rural adjustment or structural transformation?: The re-placing agriculture in Australia's space-economy

In recent years, as Australia's economy splits into two 'speeds' with diverging rates of growth, a deepening spatial divide is separating the rapidly growing regions that produce minerals to feed China's industrial sectors from stagnating former manufacturing areas. A less well-known feature of Australia's increasingly uneven spatial development is the changing position of the agricultural sector. Yet despite the prosperity of agricultural enterprises and communities being threatened - by Australia's declining terms of trade, the effects of drought and flood, financialization and the resulting expansion of farm debt, competition for water and land from both urban growth and mining activity, the globalization of agri-food networks and government policies that are ever-less willing to subsidize settlement in 'marginal' locations - the 'family farm' has persisted and remains the dominant organization form for farming enterprises. This paper draws on research in farm communities in Victoria to assess farm households' responses to drought, their attachments to farming lifestyles, and their opinions of policies that entice farmers to quit less-profitable farm enterprises. The paper identifies how a discursive repositioning the family farm - from an independent enterprise to just another arduous and poorly paid job - is enabling rural adjustment policies to accelerate structural changes that will further reduce agriculture's importance in the national space economy.

Keywords: Restructuring, agriculture, farm exit, agrarian ideology

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Globalising economic governance, urban elites and spatial imaginaries: Comparative reflections from four Australasian cities

This paper is concerned with the discursive means of how territorial economic governance is constituted in the age of globalisation. By embracing recent calls for more comparative ethnographic urban research (Ward, 2008) and building on the claim that examining the role of values, stories and ideals is important in both shaping the social world and reflecting urban change and conflict (Martin et al, 2003), it maps the inter-urban and intra-urban spatial imaginaries of elite actors across four Australasian cities - Auckland, Sydney, Melbourne and Perth. Imaginaries are understood as actors' mental maps about the world that are 'deeper' and more prevailing than just discourses, and thus harder to change or challenge. The methodological starting point is that bigger cities are particularly important sites of political strategy and policy work at the local-global interface, and that members of the urban elites such as private sector executives, politicians and public sector managers are central to constituting potentially powerful new imaginaries about territorial relations. The investigation is informed by post-structural political economy readings of literatures on globalisation, neoliberalisation and governance, and assisted by the particular positionality of the author on the interface between the academy, business interests and government. Based on the findings of in-depth ethnographic research consisting of 43 semi-structured interviews in four cities, extensive policy document review, broad media scanning and personal observations, this paper makes three claims. It argues, first, that there are multiple spatial imaginaries circulating whose particular framing and success of mobilisation and alignment differ according to particular conditions and context, second, that discursive governmental techniques such as 'story-telling' and spatial referencing practices are central to putting these imaginaries to work, and thirdly, that interesting differences and intriguing 'consolidating beliefs' can be observed across space that raise, for example, questions about democratic processes, the prevailing policy – investment gap and the nature of policy-relevant knowledge production. The study concludes with a call for more vigorous debate about the possibilities of knowledge production to inform and challenge elite actors' world views. The insights from this research project will be relevant to a global audience of economic geographers as its empirical findings, stemming from a semi-peripheral but globally highly connected region, will invite comparisons with spatial imaginaries emerging, and perhaps consolidating, elsewhere in the world.

Keywords: Economic governance, globalisation, imaginaries, elites

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Arctic race: Economic or political motives?

The Arctic is one of the last areas on Earth whose legal status has not yet been conclusively determined. In the past decade, due to a combination of the specific regulations of the Law of the Sea Convention and the phenomenon of Arctic ice cover shrinkage, a significant increase in the political activity of some of the countries interested in the region took place. The official motive for the Arctic aspirations of each of the states involved in the struggle are the mineral reserves the nations expect to locate under the Arctic seabed. The acquisition of this entire zone by one of the parties vying for domination in the Arctic would allow that party to enjoy all the potential economic benefits that would result from the exploitation of the undersea energy deposits. Comparing and contrasting the extent of the potential oil- and gas-rich areas identified in the course of research by American geologists with the territorial claims of each individual country proves beyond any reasonable doubt that recognizing these claims and expanding the exclusive economic zones will have a meager effect on the total amount of resources available to any given country. This is due to the fact that most of the Arctic's petroleum and natural gas reserves lie in areas that already form part of one or more exclusive economic zones. Additional analysis of technological and macroeconomic conditions that must be fulfilled in order to enable exploitation of these deposits reveals, that they will most likely not be attempted in the coming decades in the areas under dispute. These revelations point to the motives behind the Arctic conflict being of a political, and not economic nature.

Keywords:

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Rethinking economic geography after the global financial crisis: Towards a positive and normative agenda

The neglect of geography permeates the genesis of the Global Financial Crisis (GFC) and responses to it. The discounting of local knowledge contributed to the collapse of the mortgage securitisation chain. Governmental stimulus packages are mostly spatially blind. Initiatives to reform economics, such as the Institute for New Economic Thinking involve a more serious attention to psychology or history, but ignore geography. Situation within economic geography does not help its recognition. Geographical economics fills the pages of

the World Development Report 2009 but has little to say about finance or crises. On the other hand, research building on the David Harvey's work, focuses on the instability of capitalism, but its influence on policy is marginal. There is too little research in the middle. Based on a review of recent literature on the GFC, as well as historical works on financial crises, this paper offers some ideas on how economic geography could contribute to the post-GFC world. The first big challenge is to extend our knowledge on the spatiality of the circuit of capital to develop a post-Marxian theory of the Spatial Circuits of Capital. This should integrate insights from other social sciences, including the theory of imperfect information and irrational behaviour, and go beyond the traditional explanations based on over-accumulation. On the normative side, economic geography should be at the frontline of research cultivating the promise of New Capitalism, documenting the transition or the lack of it. We should be louder than ever before about the necessity for major reforms to restore the balance between markets, governments, and civil society; man and nature; and importantly between the role of economics and other social sciences. Two specific issues that economic geographers could advocate is the central role of the New York-London axis in reforming global finance, and the introduction of Country-by-Country reporting by companies, in order to improve corporate transparency in a globalised world.

Keywords: The global financial crisis, spatial circuits of capital, New Capitalism

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Securitisation and investment bank capitalism: An economic geography of financial jobs

This paper analyses the size and structure of employment in the financial industry over the period 1998-2008 in six largest economies of the world: USA, China, Japan, Germany, UK, and France. It shows that while employment in credit and insurance has stagnated in most countries, securities industry, with investment banking in the centre, has experienced a boom. In broad terms, securitisation has been the core of financialisation. Geographical concentration in the securities industry is incomparably higher than in credit and insurance. In fact, cities like New York and London shed employment in credit and insurance to allow the expansion of securities industry. In other words, leading financial centres have become more specialized Securities Market Centres, and less general financial centres. International evidence on the expansion of securities industry, and investment banking in particular, is extended with findings on booming and historically unprecedented level of remuneration in this sector in the USA. This cannot be explained by skills, job security or complexity, but has to be explained with geography of power. The paper analyses different aspects of power exercised by the securities industry, coining the phrase Investment Bank Capitalism, understood as the core of financial capitalism. Finally, the paper speculates whether the Global Financial Crisis marks an end of Investment Bank Capitalism, and points to the relationships between investment banks and Sovereign Wealth Funds as a major direction for further research.

Keywords: Securitisation, investment banks, financial employment, geography of power

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Green management: The economic and spatial implications: Tea cultivation and tourism in the forests of Malaysia

This paper explains the development dilemmas of a tea plantation located in the middle of a tropical rain forest in Malaysia. Without the benefit of being part of the tea global commodity supply chain, the plantation has found it tough to sustain its profitability as a private enterprise. Strongly believed in the conservation of natural environment, the stakeholders have delayed the process of opening up more land for tea cultivation. To optimize returns, efforts are made to promote eco-tourism in the plantation, emulating similar attempts made by tea plantations in Sri Lanka and Taiwan. Given the different historical and socio-economic backgrounds of the two, the Malaysian case may not be comparable and doubts are cast on the possibilities of generating the desired outcomes. What are the choices to private stakeholders if tourism revenues failed to compensate the opportunity costs for not expanding the area of tea cultivation. What are the best practices of ensuring economic and environmental sustainability in a privately held setting of a developing economy? General guidelines for environmental management as well as for corporate responsibility are aplenty at the global, regional and national levels. Literatures on how private enterprises can practice sustainability without raising costs and jeopardizing market returns remain limited. Research interest in this area is found largely in highly industrialized economies. Studies on balancing environmental management and economic returns in less developed economies specialized in agriculture exports have been largely neglected. This study thus aims to bridge the current gap through unfolding the experience of a local enterprise in a developing economy as it strives to create the mutually reinforcing forces to set in balance its forces of production and consumption, and most importantly its economic sustainability.

Keywords: Plantation, conservation, eco-tourism, environmental and economic sustainability

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Do regional clusters and networks protect firms in the German mechanical engineering industry against the fallout of the economic crisis?

Since the late 1990s the concept of regional clusters and networks is considered to contribute significantly to regional development. In Germany, politicians, consultants and economic developers alike are convinced that the implementation of clusters stabilizes and improves local economic structures. Against this background, this paper deals with the question if regional clusters and networks are protecting firms against the fallouts of the current financial and economic crisis. In Germany, this question is salient in particular regarding the export orientated industries of the country. The drastic decline in foreign demand together with banks' reluctance to lend money forced many companies to cut back working hours, often supported by specifically designed government schemes compensating companies for the reduced hours of work instead of laying off large chunks of their personnel ("Kurzarbeit"). This paper gives insight into the situation of companies of the mechanical engineering industry in Germany. The analysis is based on empirical evidence from a survey of over 300 companies in the sector, showing difficulties for the majority of the – mostly export-orientated – companies from summer 2008 to autumn 2009. Separating firms in institutionalized and informal clusters within the region from firms not embedded regionally, results from various regression models suggest, first, that being part of a local cluster is contributing to protection from the current crisis, possibly because a "closing of ranks" in the region suggested in interviews with several CEOs of cluster firms. The CEOs explained that their companies are embedded in a community based on the principle of mutual solidarity, where altruistic behavior is a common feature. Second, companies of institutionalized clusters benefit most regarding the protective effect of regional clusters and networks, most likely because of the existence of cluster managers in these formations. In their role as mediators, cluster manager negotiate and balance constantly between members to generate mutual trust and appraisal within a regional cluster. From there, a heightened awareness and innovative strategies to encounter the crisis may arise within regional clusters, for example regarding the temporary exchange of employees.

Keywords:

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Initial regional conditions and entrepreneurship

This paper analyzes the role of initial regional conditions for entrepreneurial activity, which is a novel approach since previous work only deals with the effects of contemporaneous regional determinants on new business formation. In the present paper the focus is on the role of the regional stock of knowledge and urbanization in the post-socialist economy of East Germany, the former socialist German Democratic Republic (GDR), where entrepreneurship was prohibited under communist rule and regional difference in regard to start-up activity promptly occurred after the fall of the Berlin wall and the unleashing of market forces. The main research questions are: Which initial regional conditions explain the differences in new business formation across space and how does the effect change over time? In the paper a unique dataset that has information on industry structure, employment qualification and regional age structure in 1989 at the advent of the transition of East Germany towards a market economy across 112 NUTSIII-Regions (counties) covering the total area of the former GDR is investigated. The results reveal that the initial stock of knowledge has a significant positive effect on regional start-up activity if one controls for the degree of urbanization. It seems that the regional stock of knowledge is important for fostering entrepreneurship even in the extreme case of a transition from a centrally planned towards a market economy. Urbanization has a negative effect, which is at odds with evidence for established market economies, but can reasonably be explained by the need for adaptation of post-socialist cities after the breakdown of communism. The negative effect becomes smaller over time, which indicates a "normalizing" of the entrepreneurship-urbanization relationship. These results imply that it is not density by itself but the way how individuals can interact within and shape the structure of densely populated area that is conducive for entrepreneurship. The paper has a specific implication for policy makers aiming at integrating and transforming a former socialist region and is therefore especially relevant for the case of Korea. Regional initial conditions might clearly indicate in which regions new business formation will occur. Thus, designing of entrepreneurship policy should be based upon an evaluation of initial regional conditions.

Keywords: Structural change, transition, new business formation

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Changes of spatial structure of the urban commerce in Nanjing in the last hundred years

Commerce is an important function of city. The study of urban commercial spaces is constantly on the rise along with the vigorous development of China's urban commerce since the introduction of the reform and opening up policy in 1978. Domestic studies on urban commercial spaces are mainly empirical analysis on the urban commercial spatial structure of Beijing, Shanghai, Guangzhou, Kunming and Qingdao, verifying the central place theory and investigating the hierarchical system, influencing factors, forming mechanism and classification of urban commercial spatial structure. As researches in this area started relatively late in China, Chinese researchers mainly put their emphasis on the urban commercial spaces since the reform and opening up policy and pay little attention to the historical evolution of the spatial structure. Looking back upon the changes in long time scale, we may grasp the time-space law of the development of urban commercial spaces, which has guiding significance for development predication and commercial network planning. Looking into the spatial distribution of urban commercial spaces in Nanjing in 1930, 1949, 1978, 1990 and 2003, this paper recalls the evolution of the inner structure of commercial spaces in Nanjing during the last hundred years. Based on the distinct features during different times, the paper divides the development of urban commerce in Nanjing into three stages: the formation and development of modern capitalist commerce, the reformation of urban commerce under the conditions of planned economy and the booming of contemporary urban commerce. Via analyzing the features of the spatial structure of urban commerce in Nanjing at these three stages, the author sums up the pattern of development of Nanjing's commercial spaces. Basically speaking, the commercial center constantly moves northward. The spatial form of commerce developed from high cluster during the period of Republic of China to a relative dispersal at the times of planned economy. Presently the commercial spaces take on a new form that large-scale retail businesses gather up and form the urban commercial centers at all levels while small retail shops are scattered into streets and residential areas.

Keywords: Urban commerce; changes of spatial structure; Nanjing

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Market transition and the reproduction of labor market inequality in the Yangtze River Delta

Social inequality is a primary concern for policy makers as it is an important dimension of societal injustice as well as a source of potential societal conflict and instability. Evolving social space of inequality is a product of transforming social relations in any given society. In post-communist economies, the transition from central planning to a market economy is part of an overall reform package that has been undertaken to stimulate economic growth, elevate economic efficiency and expand market freedom. Such transition is argued to have positive effects on reducing institutionally structured social inequality embedded in the centrally planned economy. However, the causal relation between inequality, economic growth and economic efficiency is quite complex even in a place where economic systems are not involved in a radical change. The fundamental societal change during the process of market transition will certainly reshape the underlying mechanisms of social and economic inequality and may generate unexpected inequality consequences. There is a need to understand to what extent and how social and economic space of inequality is reconstructed during the course of economic transition. In particular, what are the emerging sources and mechanism of inequality in a dynamic regional labor market that is dramatically transformed during the last three decades of reform in China? Based on the micro data from sample census, this study attempts to map out labor market inequality in a rapidly transformed region, the Yangtze River Delta in China. It unveils the sources of inequality based on a multilevel decomposition of Theil's index of inequality. The determinants of inequality and their varying effects on the earnings power of individuals will be examined using a quantile regression model. The empirical findings of the study are discussed specifically in relation to market transition theories and are interpreted in the context of the economic freedom literature in general. The study contributes to a better understanding of spatial dimension of changing inequality in societies undergoing a fundamental social and economic transformation.

Keywords: Market transition, inequality, labor market, the Yangtze River Delta

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Study on non-equilibrium dynamics in spatial structure of metropolitan commerce: An integration of monopolistic competition model and agent-based simulation

This paper builds an economic model of spatial structure of metropolitan commerce in two-region scenario based on monopolistic competition, scale economy, spatial cost, preference for variety, and product/service differentiations. To overcome the weakness of traditional economic model and equilibrium analysis, the paper puts forward a research approach to integrate economic deductive model with agent-based

computational experiment for better understanding the evolutionary process of metropolitan commerce. By using agent-based modeling and Non-equilibrium Dynamic simulation, the spatial structure of metropolitan commerce can be observed dynamically in different scenarios. Therefore, instead of making nonlinear systems tractable by modeling complex building blocks with few interactions, we can make them understandable by modeling simple building blocks with many interactions among different agents in different areas based on a monopolistic competition model. Dynamic simulations show that (1) With fixed substitution of goods and services and the shopping transport cost, the greater the gap of commercial fixed input between the new and old city area is, the more imbalanced commercial space distribution would be, and more easy to form the core-periphery structure. (2) Because of the diversified consumption preferences, to strengthen inter-regional differences contribute to changes in business market share. (3) Commerce tends to gather in the place with location, population and fixed cost advantages, and improvements in traffic condition will accelerate the commercial spatial concentration. The related methodological issue such as integrating traditional economic model with agent-based geographical computation as well as empirical analysis and econometric test is also discussed.

Keywords: Metropolis, spatial structure of commerce, monopolistic competition, agent-based modeling, Non-equilibrium Dynamics

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Prospects and problems of regional resilience research

In this paper, I examine the prospects and problems of incorporating the resilience concepts into regional development research. Resilience and its related concepts offer analytical categories that may usefully help us (re)direct our attention to overlooked aspects of regional development and alternative analytical methods, which emphasize the identification of locally-specific interactions of key variables. In other words, they can potentially present us with novel theoretical properties to be defined, measured, and explained. Even though some of these properties are not directly observable, creative surrogates and methods would enrich regional development research. Needless to say, the resilience framework itself does not tell us what concrete variables we ought to examine. Those decisions are left in the hands of researchers, who must still answer the question of resilience of what, to what, to whom, at what spatial scale, and for what time span. I argue that future regional development research, particularly on rural areas, will need to integrate both socio-economic and environmental variables more thoroughly into the resilience framework. The resilience framework is also not a causal theory that explains why certain systems are more resilient (however it is defined) than others. Ecological studies, including the panarchy framework, may offer some hints for regional research, but causal relationships must not be assumed from them. Indeed, revisiting past studies of regional development in the new light would offer us a wealth of possible causal explanations and new hypotheses. The increasing attention on regional resilience may have another practical significance in regional development by providing stakeholders with a language to counter the “development=growth” discourse, but potential trade-offs between productivity and resilience may lender serious conflicts of interest in practice. I concur with the assertion that we actually have a quite good understanding what makes regions resilient, and that a more pressing challenge is in materializing desirable changes in regional communities. Indeed, we should be wary of some of the policy tools from the ecological and related literature that often assume an excessively ideal mode of governance and management. Finally, despite the potentially exciting intellectual cross-fertilization of resilience research across various fields, I argue that the value of regional resilience research should not be judged by its theoretical consistencies with the broader resilience literature; rather, it must be evaluated based on whether the explanations and insights from the study resonate with the views and experiences of those who are affected locally, and potentially empower them to transform the region.

Keywords: Resilience, panarchy, regional development

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Industrial district of Arita Porcelain in Southwest Japan: Its development and fragmentation

There are a number of industrial districts of porcelain in Japan. All of them have suffered from sharp decline since the early 1990s. It is also the case in Arita, an industrial district in southwest Japan. Arita is well-known for its high-grade tableware and ornament of porcelain mainly for Japanese-style restaurants and hotels as well as for rich people. The purpose of this paper is to describe the development of this industrial district and recent innovative activities of the local actors, and to analyze their effects on the cohesiveness of the district. The industrial district of Arita porcelain (*Arita-yaki*) consists of several smaller places, which had been already established as an independent place of a number of potteries in the feudal age respectively. They are Hasami, Mikawachi, Okawachi and so on. A municipal town of Arita-cho is one of these places and the center of the district. Because of the success of the porcelain with the brand name of *Arita-yaki* between the 1960s and the 1980s, potteries in the other places were involved in the division of labor for manufacturing and distributing of the Arita porcelain and a very large number of small businesses specialized in molding of potter's clay emerged especially in Hasami. Several local cooperative associations, which had been established between the 1940s and the 1960s, played an important role for the development of the industrial district. Among them, Cooperative Association of Potteries in Saga Prefecture and Cooperative Association of Wholesalers and Potteries in Hizen, which is the old territorial name of Saga and Nagasaki prefectures, are most important because of number of their members and function of transaction finance. A bigger cooperative association was established in 1974 in order to play an information center of the district for its outer world and most of the traditional cooperative associations became members of that bigger one. This was, however, dissolved in 2008 in fact because of its management failure. On the other hand, the more traditional cooperative associations exist still now. However, these have gradually lost their members because of either bankruptcy or retirement of potteries and wholesalers. Nevertheless, there are a number of innovative activities. For example, a cooperative association of wholesalers has developed a new type of pottery for final consumers every year since 2005, organizing a development team consisting of some wholesalers and potteries. Their activities have been successful. It is noticeable, because main customers of wholesalers have not been final consumers, but Japanese-style restaurants and hotels. At another place, potteries manufacture very new kinds of porcelains in cooperation with a planning corporation,

which is located in Tokyo and transacts with famous large corporations with a plan to give their regular customers some premium gift. A place on a hillside with beautiful mountainous scenery attracts tourists who are interested in porcelain of an old brand name of *Imari-Nabeshima-yaki*. Some names of smaller places have been gradually revitalized and become well known. Therefore, those various innovative activities are leading to fragmentation of the Arita industrial district.

Keywords: Industrial district, Porcelain, development, innovation, Japan

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The growth of producer services in Chinese cities: State, market, and the geography of information and consulting services

This paper examines the growth and location of information and consulting services (ICS), one of the most rapidly growing economic sectors in China. China's ICS activities have taken place in recent years as the reformed state adapted to and articulated with the intrusion of global market forces. Our analysis of the data at the national level has identified a distinct pattern characterized by a high concentration of the ICS industry in a few central metropolises. A further study of the growth and location of ICS activities at the national capital (Beijing) and a provincial capital (Guangzhou) has revealed a close and sophisticated relationship between the state and market forces that underlined the growth of ICS in different locales. The existing literature on the service economy can be enhanced by moving beyond the thesis of the Engle's law and the notion of localized production networks to take more seriously state-market relations as a key to understanding the growth and location of service activities in emerging economies such as China.

Keywords:

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Spatial characteristics and changes of the medical services in Korea

This study investigates spatial characteristics and changes of the medical services in Korea. For the purpose, this paper examines the status and percentages of medical institutions in the level of provinces and analyzes the spatial change of medical services in the level of Si/Gun/Gu in 2007 and 2009 through factor analysis. Most of medical institutions and workers have agglomerated in capital region. Spatial distribution of medical services is similar to that of other services. Within the capital region, Gangnam area and the traditional C. B. D. area appear important in the pattern of medical services just like in advanced services. The spatial pattern of medical institutions on the specific purposes is distinguished from other institutions. It shows that the spatial characteristics of medical services could be different as the purpose of institutions. Some kinds of clinics and medical specialists are concentrated on non-capital regions. Thus policy makers determining the space of medical services should consider the nature of medical institution, workers and medical specialists, as its nature could influence on the space distribution.

Keywords: Medical service, medical institution, medical worker, factor analysis, spatial characteristics

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Culture, creativity and regional economic development

Richard Florida's idea of creative class has generated much discussion among academia as well as policy makers. Based on the data derived from cities in the United States and Canada, Florida argued that urban economic development is highly related to three indicators, namely technology, tolerance and talent (3Ts). However, the generalization of such argument is much in doubt due to single-ethnic characterized population in Taiwan. This research found out that Florida's 3Ts concept would be better leveraged to analyze Taiwan's urban economic development with modification on tolerance factor including bohemian index, coolness index and natural facilities index. In addition, Florida's definition of technology dimension is insufficient as many types of high-creativity works, for example visual arts industry, music and performing arts industry are not included in the dimension. Therefore, this study adds the culture-creativity industries defined by Taiwan government to examine how economic development of urban areas in Taiwan is related to technology, talent and tolerance factors.

Keywords: Creative class, culture-creativity industries, Taiwan

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Research into the landscape composition of villages and towns in Jiangsu Province against the background of rapid urbanization

Jiangsu has 1243 towns, accounting for 30% of the population in the province, blessed with a long history and unique landscape. Recent years, the urban construction in Jiangsu Province has been developing on a large scale and with a high intensity unprecedented in history. It greatly influenced the landscape composition of villages and towns in the province. Research has been conducted in the following aspects: (1) Investigating and analyzing the influence of major engineering projects in Jiangsu Province (e.g. national highways, provincial highways, railways, new parks of industrial development, ports, wharfs, etc.) upon the landscape of regional cities and towns in recent 10 years; (2) Analyzing the geographical features of villages and towns in Jiangsu Province: In terms of topography, 85% of the territory of Jiangsu Province is covered with plains, with the rest 15% covered with hills and hillocks. Many areas are marked by dense water-networks and dotted lakes and marshes. The province is topographically divided into six regions of geographical landscape; (3) Analyzing the status quo of the landscape space of villages and towns in Jiangsu Province; (4) The system for appraising the landscape of villages and towns; (5) A suitable and ideal model of the landscape space of villages and towns; Based on the study of cultural geography, research the preservation of the cultural ecology of historic villages and towns, Expanding the concept of sceneries and afforested landscape to a broader field, not only scenic areas of mountains and rivers, also such as cities, towns, rural areas and farmland.

Keywords: Landscape composition, the towns in Jiangsu Province, cultural ecology, the towns of rapid urbanization

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East Asian capitalisms and geographies of regional economies

This presentation examines the diverse contributions of economic-geographical studies in understanding the changing dynamics of capitalisms in East Asia during the past three decades. As East Asia has undergone tremendous national and regional transformations during this period, we witness diverse capitalist developments unfolding firstly in Japan, and then in different waves of the Asian newly industrialized economies, and more recently in China. These divergent transformations in East Asia have produced distinctive geographies of regional economies that have been well documented in empirically grounded geographical and regional studies. To reflect on the changing field of economic geography and regional studies, this presentation engages with the different epistemological and theoretical framings in existing geographical studies of East Asian capitalisms. In doing so, I reflect on the possibilities of using conceptual ideas arising from these studies to “theorize back” at mainstream ideas developed in North America and Western Europe. This approach enables us to appreciate better the (re)making of economic geography and regional studies as distinct fields of intellectual enquiry in light of recent development in East Asia.

Keywords:

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The consumption of cultural products: The case of cinema in Argentina

The central aims of the paper are: (i) to contribute to a wider understanding of the way in which cultural products are consumed in semi-industrialized countries such as Argentina; (ii) to show how the individual, family, and group decisions about the consumption of cultural products are shaped by a number of dimensions, including proximity, that is, geography; and (iii) to show the barriers and limitations faced by a local film industry (the Argentinean film makers) to the expansion of their market, even in the light of national policies of protection. The paper is based on new empirical information from a survey on the consumption of films by university students in Argentina. The survey was carried out by the authors with the collaboration of colleagues in universities located in the Buenos Aires Metropolitan Area and in the interior of the country. A representative sample of around 2000 university students from a number of different state-funded universities was collected at the end of 2010. The sample was structured by information on all university students from the Ministry of Education. The main chapters of the survey were: general characteristics of the respondent (sex, age, title pursued, employment, family composition, education of the head of the household, house location); consumption infrastructure at home (TV, computer, internet, etc.); through what media are films consumed (TV, movie theater, rental, pirated copies, etc.); frequency and characteristics of consumption; proximity to a movie theater; how does the respondent choose the movie to attend; types of movie theaters preferred (art cinema; independent movie theaters, complexes); pattern of consumption and opinions about Argentinean films. Some of the main conclusions of the paper may be summarized as follows.

--Some of the characteristics of the respondent do have an influence in the way films are consumed. For example, the education of the head of the household (a proxy for income) does have a significant influence on the frequency and characteristics of film consumption.

--Despite a national demise in the number of movie theaters and a relative fall in the number of people going to movie theaters, the survey still shows that a significant number of people still go to watch films at the movie

theaters. Yet, the survey also shows that film consumption is no longer something that happens at movie theaters or on cable TV: the survey shows that a substantial portion of the respondents consume films that have been copied illegally, irrespective of age, income, and family structure.

--The location of movie theaters does have a bearing on the pattern and frequency of consumption of respondents. Yet, the relationship is complex and proximity needs to be analyzed in combination with income and the degree of knowledge of cinema of the respondent.

The paper is part of an on-going research project on cinema and the film industry in Argentina. Although the paper is centered on an analysis of consumption, the larger project of which this paper is part also analyses production and distribution and their interactions. One underlying intention of this paper is to contribute to a more precise description of the consumption of cultural products in Argentina and other less-developed countries.

Keywords: Cinema, consumption, Argentina, film, cultural products

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'Global' in the animation industry: Different development paths, technology and networks

Most studies on cultural industries examine on the spatial patterns of the cultural industries essentially show agglomeration with benefit of scale economies. Large metropolitan areas usually provide unique atmosphere, 'milieu effects' through buzz to people in the industry. As a result, cultural industries are concentrated in large metropolitan areas, for example global cities. However, recent technology and communication development have facilitated location dispersion of the cultural industries through opportunities to exploit reduced production costs in low-wage locations. Even though this trend seems to support the perspective of globalization in the cultural industries, the old-fashioned debates, such as north and south unevenness, remain relevant. Animation industry, one of cultural industries, is known as the industry with a long tradition of spatial division of labor. The object of this research is to investigate the new geography of cultural/creative industries, especially the animation industry, and provide better understanding of relations between core and peripheries under globalization. This study is divided into following three parts: (1) identify location patterns of the animation industry in at a global scale (2) compare spatial patterns and other cultural/creative industries (3) provide governance of the global animation industry. In order to investigate these questions, more than 4,300 individual animation businesses in over 100 countries are collated and analyzed for the study. Global cities, such as New York, LA (Hollywood) are very importantly situated in global cartoon networks, but some specialized cartoon cities, such as Annecy, France turns out to be a global hub of the animation industry. Two major cartoon producers, Hollywood and Japan use different production sources and networks for their animated products and show unique pathdependency in the animation industry respectively. Based on analysis of global production networks, outcomes of GPN vary greatly by positions of each country in the global animation industry. Animation producers in new comer countries such as South Korea and Argentina show different spatial networks and build unique strategies in the animation industry.

Keywords: Global production networks, cultural industries, path-dependency, animation industry

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Spatial characteristics and dynamic changes of Daily-Communication-Area based on time accessibility: A case study of the Yangtze River Delta

Daily-communication-area (DCA) is a simple and visual method to describe the relationship of cities. It is a meaningful thing to improve coverage area and population of cities'DCA. It can help more people enjoy the convenient service of city. So research on Daily-communication-area has a big value to promot social equity, make universal access to economic development results and build a harmonious society. This paper developes a comprehensive research of daily-communication-area based on time accessibility of Yangtze River Delta with the help of GIS. Having reviewed briefly the previous mstopolitan area and studies on accessibility in China, the paper defined the daily-communication-area and its bound in the light of China's present situation. Taking the shortest time as indicator of time accessibility, the paper constructs overall coverage spatial analysis of regional accessibility based on land transportation network which is composed of highway and railway. Spatial diffusion, spatial interaction and daily-communication-area of regional spatial structure are studied from the view of spatial analysis of accessibility. It is no doubt that this way will provide a new perspective to study daily-communication-area. Using MapX component and Delphi programming tool, regional accessibility calculation and analysis information system based on minimal seed algorithm is developed, with which mark diffusing figure and daily-communication-area of city could be generated. Through this way, the time and route which any point in region get to the city could be seen. In this way, the studies focused on the Yangtze River Delta, the biggest economic area in China. It chooses the land traffic network of 1985, 1995, 2010 and 2020 and analyzes spatial characteristics and dynamic changes of daily-communication-area of 16 cities in the Yangtze River Delta. On this basis, influence factors and the developing trends of the daily-communication-area of 16 cities was discussed and the utility of large-scale transportation construction was also quantitatively evaluated.

Keywords: Daily-Communication-Area(DCA), time accessibility, Geography Information System, spatial characteristics, Yangtze River Delta(YRD)

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The famer's choice of water consumption pattern under the Water-saving Policy in MinQin Oasis, China

Arid area ecological and economy Sustainable development require the water-saving policy for the system guaranty. As the main Actors of the Water-saving Policy in arid areas, famers can decided the performance of water-saving policies and desertification control project. Study sites locates in the lower basin of Shiyang River, east Hexi Corridor in Minqin oasis, Gansu province(38°05'-39°06'N, 103°02'- 104°02'E), where is one of the serious land desertification areas in China. From August to October in 2008, from March to April and from June to August in 2009, we investigated the 46-years sequence information of farmland water consumption, single well irrigation efficiency and the per capita income form 350 Households in 30 villages belong with eight Counties field survey and participatory interviews. At the same time, we carefully searched the information of 89 groundwater monitoring points. Water-saving policy performance in Minqin oasis, and the famer's choice of water consumption pattern were studied by catastrophe progression method. This research showed that the purpose of water saving and water use efficiency had been realized in Minqin oasis. For example, from 1963 to 2008, water consumption per area has dropped 29.6%, single well irrigation efficiency have risen 23 times, and the per-capita income increased by 174-fold. Because of the delay of institutional supply, there were two Choices of water consumption pattern with famers in study sites: "High water consumption but low output value" and "low water consumption but high output value". The areas of "low water consumption but high output value" droved sprawling development of agriculture scale, which caused water resources be over-exploited, and exacerbated the pressure of water resource and land resource like as Hong Shaliang town and Dong Hu town in MinQin oasis. Therefore, the famer's choice of water consumption pattern and the water-saving policy which focuses on engineering technical is the 'Booster' of arid area land desertification.

Keywords: Water-saving policy, Water Consumption Pattern, famer, desertification, Minqin oasis, Catastrophe Progression Method

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The nature of IFC studies and Hong Kong endeavors: Studies for global IFC development and their shifting trend

This paper will outline the complex, multi-faceted and interdisciplinary nature of IFC studies and Hong Kong's ambition to establish world largest network on IFC studies. It also portraits the possible changing trends of global IFC development, with particular reference to robust growth of Asian IFCs –Tokyo, Hong Kong, Singapore, and China's IFC – shanghai, Beijing, and Shenzhen.

Keywords: IFC, geography of finance

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Geographical research on the flow system of producer services trade: Taking Guangzhou as an exportation city

The trade in producer services is a kind of spatial interaction of non-physical factor. No matter cross country border or not, the essential of the trade is a flow of producer services between the regions, which can also be regarded as spatial diffusion of the services. The producer services exportation changes the traditional viewpoint that services can only sell within a limited area and can not make income for the local regions, which means the exportation can earn incomes for the exportation city. Based on the studies about the geographical definition of trade in producer services and the review of the studies on the trade in producer services, the research put forward a term which is named Flow System of Producer Services Trade. There are three compositions in the system, which consist of the exportation city of service, the market city, and the medium circulating subsystem. From the geographical aspect, the study of trade in producer services aims at the flowing process of the producer service from the exportation city to the market city, which in the detail includes the direction, the quantum and the ways of the flow, the factors affecting the flow, the impact of the flow, the character of the exportation city and the market city, and the relation between these two kind of cities. According to the questionnaire and interviews to the producer services corporations in Guangzhou, one of the most developed cities for producer services in China, the research analyzes the characters of the Flow System of Producer Services Trade there, and put forward some suggestion for the future development of the industry. As to the characters of the exportation city, it is founded that: ①The city is in good economic situation, and the producer services there is developed. ②The high hierarchy of the city is attractive to the producer services corporations. ③The local market for producer services is huge and high-class. As to the characters of the medium circulating subsystem, it is founded that: ①Being on business trip by the supplier of services is the dominating ways to export the service. ②The price of the services has the biggest influence to the flow of the service. As to the characters of the market city, it is founded that: ①Most of the market cities for Guangzhou producer services are metropolis. ②The distance between the market city to Guangzhou ranges from its hinterland to oversea. ③The oversea market is worth expanding deeply. According to the characters of the flow system of producer services trade in Guangzhou, the author suggest that: ①Under the global work division system, Guangzhou should construct the cross-country border service system, which could supply better service to the Chinese corporations that operate oversea. ②Developing more big services corporations to build up the high level servicing image of Guangzhou.

Keywords: Trade in producer services, flow, system, geography, Guangzhou

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Temporal and spatial characteristics of climate change in Shiyang River Basin in the last 50 years

Based on daily meteorological data from four stations from 1960 to 2009, the article analyzes the temporal and spatial characteristics of the climate change and the extreme arid and wet events of Shiyang River Basin, using FAO Penman-Monteith model and ArcGIS IDW interpolation. The results show: Firstly, there is an obvious increasing trend, both in the annual humid index and temperature, with the humid index trend rate of 0.006 per 10a and the temperature 0.338 °C per 10a, respectively. From 1960 to 2000, the climate of Shiyang River Basin experienced three stages, namely, comparatively cold dry, cold humid and warm humid. Secondly, the warm humid trend of winter is the most obvious, followed by autumn. Thirdly, the average humid rates gradually decrease from the upper reaches to the middle and to the down reaches, while the warming rates gradually increase. Lastly, frequency of the overall trend of extreme arid events fluctuantly decreased from 1960 to 2009. Especially after the 1980s, the decreasing trend is obvious. But, meanwhile, the trend of extreme wet events increased. The period of frequent occurrence of extreme events is from the 1960s to the 1970s, with the extreme dry events of five times per 10a. And the 2000s is the most humid period, with the extreme dry events of zero times and the extreme wet events of three times per 10a. That is to say regional warming has not brought about the frequent occurrence of extreme dry events. The occurrence of extreme arid and wet events varies in the different parts of Shiyang River Basin. The arid climatic environment of Shiyang River Basin has improved on the background of global warming. The results mentioned above would supply scientific foundation to the agricultural development and adjustment of agricultural structure.

Keywords: Penman-Monteith model, Humid index, temperature, extreme arid and wet events, Shiyang River Basin

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Defining the digital territoriality of economic geography

Although the rhetoric of digital economies often suggest spaces deterritorialized from the material messiness of the analog economy, it is clear that the virtual and the physical are closely imbricated in practice. Digital networks are grounded to places via infrastructure and bounded by national regimes of political regulation. Simultaneously places are connected according to the logic of dynamic network typologies that redefine the geographies of production, distribution and consumption. As a result the concept of territoriality within economic geography has become ever more complex. As the economy increasingly functions at the 'intersection of two worlds' the spatial organization of connection and boundaries blends elements of material and digital connections into the construction of territory. A key aspect within this process is the issue of hierarchy within and between material and digital intersections. In short, it is not simply an issue of "connected" or "disconnected" but the way in which power shapes the territoriality of this connection that matter. Building upon Sheppard's (2002) idea of "positionality" and Castells (2008) thesis on "communications power" this paper explores the idea of digital territoriality in economic geography.

Keywords: Digital technology, territoriality, hybrid space, positionality, communication power

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In defense of the firm: Digital warriors, do-gooders, and reinvention of the firm-centric approach in economic geography

Abstract.

Keywords:

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Institutional change towards social sustainability: The emergence of new organizational structures in health-care

The literature on transitions towards socio-technical systems analyzes changes in society and its abilities to adapt to new sustainable patterns of production and consumption (Coenen et al. 2010). However, most of the studies primarily or exclusively focus on environmental transitions. Social equity aspect of sustainability is somewhat underemphasized in the discussions. However, with rapidly aging population, emerging new diseases the question of social wellbeing is becoming more and more important even in western society. This paper aims to address this gap in the literature and analyzes the relation between changes in institutional context and new organizational settings within the field of health care in Sweden. The analysis draws on a case study of the novel cancer research centre at Lund University (Southern Sweden) that presents translational medicine which integrates basic research and clinical practices. This transition to a novel organization structure did not happen overnight, but is rather a result of gradual institutional change. The analysis reveals how the actors at different geographical and organizational levels (national funding agencies, faculty representatives, researchers within the centre and others) initiate and contribute to institutional change. Some institutional structures (such as funding system at the national level) served as barriers for innovative settings at early stages but became enablers at a later stage of the process. Other institutional challenges include finding common norms and cognitive schemes between researchers from different faculties and between researchers and clinicians within the centre. Finally, getting clinicians outside the centre to apply scientific achievements in their daily practices is one more challenge which is not fully overcome yet and seems to be related with generation change. This paper develops new theoretical framework relating institutional change and sustainability transitions literature and adds to the discussions on different scales institutions and role of agency (Gertler, 2010) in economic geography.

Keywords: Institutional change, social sustainability, organizational innovation, health-care