

How to increase regional competitiveness in a context of international opening?

Introduction.

The subject of regional competitiveness took on a very important role in the international economic debate in the last decade (Porter 2003, Terluin and Post, 2003, Kitson, Iyer, 2005, pp. 1015-1040, Andersen, 2006, pp. 101-122).

Globalization and internationalization of enterprises caused not only a widening in borders of markets of goods and services but also, as paradox, the return of territory as primary factor of development of the different regional economies (Cafferata, Cerruti 2005). This “new competition” phenomenon is mainly translated to “places competition” which has been an extremely interesting research area for many scientists, since it has been related to dramatic changes in the economic power distribution in the last thirty years. In this new context the role of regions becomes vital (Kotios and Tselios, 2002, pp. 67-86). A region can be defined as a territory corresponding to an administrative division in certain Countries and in particular the European Commission has shared Europe in region called «NUTS» (Nomenclature d'Unités Territoriales Statistiques); but a region can also be considered as a space inside which a social and economic organizational shape, a lifestyle, a structure of meaning is developed (Ferlaino, Molinari, 2006).

So the attractiveness of a territory (Country, Region, County...) can then be defined as the capacity to attract men, capitals, investments or economic activities coming from outside the territory itself (R. Villa Borges, V. Jacquier-Roux C. Le Bas, 2006).

On this point it's important to remember that regions don't compete following the

same rules of firms but they compete to increase their attractiveness to the potential of market. The ability of a region to get and maintain a competitive advantage depends on its capacity of re-generating itself, attracting external resources, building not transferable territorial resources and replying very quickly to challenges. So it should be clear how in this context definition and explanation of regional competitive advantage go besides the concept of “hard productivity”, in order to consider many other socio-economic regional dimensions (Varanini, 2007; Cainarca, 2007, pp. 189-208; Pinch, Henry, Jenkins, and Tallman, 2003, pp. 373-388). Most scholars have enriched the knowledge baggage concerning regional competitiveness (Porter, 2003, pp. 549-578; Governa, 2005; Governa, Santangelo, 2006) to reply to external pressures using their competitive drivers. But there are still lacks in existent literature with reference to the level of exhaustiveness of “drivers” of attractiveness on which a region can build its competitive advantage; so the objective of this research consists in creating a regional competitive effective model, able to individuate main drivers of regional attractiveness, shareholder involved, relationships among them and relative drivers of competitiveness from a multi-field point of view.

Starting from previous lacks in literature this approach lead towards a rethinking of regional traditional approach in more evolved perspective.

Methodology.

The goal of this paper consists in fact in building, by means of literature, a descriptive and prescriptive model of regional attractiveness able to define the role each driver plays in its determination in the current international context. It's developed in the following phases:

Phase 1 – Scope: as usual, the first phase in developing a maturity model is to determine the scope of the desired model. Focus refers to which domain the maturity model would be targeted and applied. An extensive review of existing literature in

each domain, related domains and maturity models must be developed. This model has its main objective in the determination of drivers of regional attractiveness and their relative determinants.

Phase 2 – Design: the second phase of the proposed framework is to determine a design or architecture for the model that forms the basis for further development and application. In particular, the design of the model incorporates the needs of the intended audience and how these needs will meet. The model proposed in this thesis describes the drivers of attractiveness, determined by literature contribution; in particular it's important to underline that literature review has not only been performed in a strategic field, but, given the complexity of the objective also historic, economic and geographic contributions have been considered.

Phase 3 – Test: once the model is built, it must be tested for relevance and rigor. It is important to test both the construct of the model and the model instruments for validity, reliability and generalizability.

A further tool used in this research in order to test the validity of the model is the Delphi technique, an iterative process used to collect and distill the judgments of experts using a series of questionnaires/interviews interspersed with feedback.

This method has been considered very appropriate for the model of regional attractiveness because it provided the opportunity to access a broad range of global domain experts (Okoli, Pawlowski, 2004, Rosemann and de Bruin, 2004).

We have applied it to our model selecting three groups of stakeholders to which address the interviews in order to test the validity of the model: builders of indexes of regional attractiveness, academics in territorial field and industries and

administrative Bodies. Throughout 24 interviews we tested the pertinence and the completeness of the drivers.

Theoretic framework: a multi-disciplinary review.

From literature it is a common persuasion that the different levels of regional development depend on social, economic and political process in which every local actor tries to achieve results commensurate with its aims (Rosemann, Bruin, 2004, Bristow, 2005, pp. 285-304). The issue of these processes can largely vary among regions, depending on the power relations between the various groups of actors. In order to debate on the concept of local development and region it's useful to analyse all fields involved in this debate; so our research will take in consideration economic, historic, geographical and strategic contributions focalizing on those scholars whose theories are often taken as point of reference.

It's not possible to do a debate on regional competitiveness without considering Perroux's contribution and in particular his theory of growth and development poles. His great lack was that he doesn't take into consideration geographical characteristics because the space is represented, according to the author, as "field of strengths" where actors are attracted and repulsed in a selective way from and towards different places. This space is made up of companies, which may be regarded as "...poles from which centrifugal forces emanate and to which centripetal forces are attracted. Each centre being a centre of attraction and repulsion, has its proper field, which is set in the fields of other centres (Perroux, 1964)".

Within a network each company "...has a dimension, receives a place in a network

of relations, and constitutes a locus of actions and retroactions (Perroux, 1988, p. 84)".

In Perroux's theory economic development is, for its nature, unbalanced. In fact he remarks that "growth does not occur simultaneously everywhere; but manifests itself in poles of growth of varying intensity; expansion takes place towards different channels and with final effects that vary in relation to the economy as a whole (Perroux, 1966)".

So local development favours some poles of growth with different intensity; from these starting points it spreads along lines called channels and involves, in different ways, different parts of the space (Salone, 2005, pp.18-19).

According to Perroux there are as many economic spaces as there are sets of asymmetrical relationships between economic actors.

This is better explained in the concept of Development Pole, more suitable to describe processes of transformation deeper of regional systems.

A pole of development may be regarded as a dynamic network constituted through economic spaces (Perroux, 1970, p. 98).

In particular, according to Perroux, the most important form of competition is competition through innovation. Still, although a pole of development may be not territorialized, Perroux gives importance to "the effect of intensification of economic activities due to proximity and to human contacts". Thanks to this proximity (Storper, Venables, 2003) entrepreneur, skilled workers and industrial cadres "are trained, mutually influence one another, create their own traditions and may share in a collective spirit" (Perroux, 1966).

A more complex contribution, with reference at the contextualization of

development, came from a very original French historic: Fernand Braudel. In fact, for our analysis it's of great importance the knowledge of roots of territory analysed. His thinking is summarized in an important book titled *La Méditerranée e le monde méditerranéen à l'époque de Philippe II*; in this work Braudel expresses his concept of duration by breaking down time of observable events and doesn't undervalue the importance of individual or collective but gives them a higher or lower importance according to the impact they produce.

Braudel differs from Perroux in giving a great importance to everything is developing in spatial dimension; in particular this author tends to take root men in their natural environment and to underline forms of symbiosis and adaptation of the relationships between them and geographical conditions.

Like Perroux, he stresses the building force of groups of individuals; they produce mental, cultural, and economic systems that build solid social *armoires* during the history. In fact Braudel's idea is that history is made by men and not by geographical spaces. He maintains that "ce ne sont pas les espaces géographiques qui font l'histoire, mais bien les hommes, maître ou inventeurs des ces espaces» (Braudel, 1990). Braudel thinks that in European space there is a group of technologic and thinking *armoires* that is dictated to individuals, economies and societies.

Objects of his survey are essential mechanisms and typical forms of that system, which had as protagonists Venicens, Florences, Genoas and Milanese.

An economy-world is an economic system whose strengths are radiated by a dominant centre, able to organize it and to give it coherence. Furthermore, to the traditional succession of socio-economic systems, this theory replaces a more complex interpretation of the development of societies, whose structure tends to

repeat; from this concept it surfaces the dependence of some societies less favourite comparing with others. He describes the birth of civilities in their durable relationships with environment, which, in turn, became an actor of radiating of people's cultures, conditioning their movings, commercial exchanges, economies. After remembering Italian roots and given another concept of "space" we must compare them to a strategic point of view and, in particular to the thinking of that author that more than anyone else has influenced strategic vision of our era: Michael Porter.

Porter develops the concept of cluster; according to him "...[a] cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field" (Porter, 2000, pp. 15-34).

Clusters affect competition in three broad ways: by increasing the productivity of constituent firms or industries; by increasing their capacity for innovation and thus the growth of productivity; by stimulating new business formation that supports innovation and expands the cluster.

Thanks to Porter the attention of many researchers moved from the competition among single economic organization to competition among systems, that is from the competition among firms to the competition among groups of firms, not economic individuals and organizations linked to territories with different identities (social, economic, cultural) (Porter, 2003, pp. 549-578). So, like Perroux, Porter gives a key role to geographic proximity as national competitive advantage.

In particular he considers as determinants of competitive advantage: condition of factors, conditions of demand, the presence of industrial sectors correlated and of support, the strategy, the structure and the competition of the firm inside this sector,

chance and politics. Porter, moving from these general reflexions on competitive diamond underline that also infra-national territories (like regions) compete even though in a different way if compared to the competitiveness among national economies and firms. So, considering local dimension, the author proposes four elements of competitive advantage for local areas:

- 1) strategic location: these areas are suitably infrastructured and then can grant the exploitation of the advantages of the proximity at the centre of business, at services for firms and at the entertainment.
- 2) local market demand: if central areas are completely served, many areas close to them lack commercial structures, financial services and people: they can avail themselves of not only local and then low demand (because of resident's incomes) but also of customers widespread on all central parts of the area;
- 3) the integration with regional clusters: the ability to access at external competitive cluster supplies two important elements: the incentive at the creation of new firms and the possibility to draw by the strengths of specific compartments to supply goods and services downstream;
- 4) human resources: Porter underlines once again the effective and potential richness of the urban market of labour, extending his judgment also to inner areas.

According to Porter, the key of regional competitiveness is *productivity* that allows a nation to support high wages and a strong currency attracting returns to capital and, a high standard of living (Porter, Ketels, 2003).

At the end, we must underline that, in regional competitiveness, a very important role is played by geographic regionalist which focuses on defining the meaning of territory and explaining growth of a region/territory output.

According to Hall and Scott the most striking forms of agglomeration in evidence today are the super agglomerations or city-regions that have come into being all over the world in the last few decades, with their complex internal structures comprising multiple urban cores, extended suburban appendages, and widely-ranging hinterland areas, themselves often sites of scattered urban settlements. These city-regions are locomotives of national economies within which they are situated, they are the sites of dense masses of interrelated economic activities that also typically have high levels of productivity by reason of their jointly-generated agglomeration economies and their innovative potentials.

The existence of pervasive agglomeration economies based on externalities and increasing returns effects calls for a full recognition of the region as an organic unit of economic reality. As such, regions exist as keystones of economic organization just as firms, sectors and nations do. In the last years the ever more active role played by the territory, opening a not yet concluded debate which faces Sack and Raffestin's theories.

The first author considers the territoriality as the attempt of an individual or a group to control a geographical area called territory. Completely different is Raffestin's position (Raffestin, 1981), who defines territoriality "a set of relationships created in a three dimensional system society-space-time in order to reach the greatest autonomy compatibly with system resources". In particular, the main definitions of territory that allow dealing with the issue highlighted in the international debate on governance are the territory as a social and political construction and territory as territorial capital. The first concept, supported in particular by Bagnasco (Bagnasco, Le Galès, 2000, pp. 1-32) and Le Galès, stresses collective action which can lead

towards different results (cooperation, conflict and confrontation). The second allows (Dematteis, 2005, p. 39) summing up different forms of capital (intellectual, social, political and material) identified by Davoudi (Davoudi, 2005) in order to describe the creation of new form of governance and the development of strategic capacities to capture new opportunities (Governa, 2006). But an innovative contribution to the description of space with reference to the second is supplied by Dematteis with his SLoT model. It is constituted by two groups of actors (local network of actors and milieu) and three kinds of relationship (among local actors, among local actors and the territorial milieu and those among local components and under local levels of scale). It is a set of four elements:

1) *the network among actors*: it is formed by all relationships among individual, collective, public, private, local and under local individuals, existing or activating in the local territory. It's possible to talk of SLoT when the group of subject begin to act as a collective actor in order to realize common project of territorial development.

2) *the local milieu* : it's the set of favourable conditions to territorial development in a particular context. It can be read with an objective reference if considering its resources deriving by a long co-evolutive process between local society and territory (immobile potential resources). But it has also a subjective side with reference to the representations of value done by local actors.

3) *the interaction between local network and milieu (and the other local ecosystems)*:it drives milieu potentials in environmental, cultural, esthetical, social and economic values.

4) *the interaction between local and under local networks*: it consists of actions

which modify the composition of local network, milieu, relationship with local environment importing exogenous values which will modify, in a second time, under local networks and environment where they are settled. In this way SLoT has a specific organization and cultural baggage and it's the place of local rationalities which create territorial rules. Unfortunately there are still some not solved problems; in fact, it wants to describe the geography of our resource but this could not be uniformly given up.. In Tab. 1 we try to pick up contributes of all these fields in order to supply widened definition of the concept of regional/local competitiveness.

----Insert Tab. 1----

Regional competitiveness: the current debate.

Starting from Porter's thinking, although regional productivity is certainly a useful indicator of what might be termed 'revealed regional competitiveness'(Gardiner, Martin, Tyler, 2004), there are empirical problems in measuring it accurately (Kitson, 2004, pp. 27-56). In addition, productivity is only one aspect of revealed regional competitiveness. But these issues don't explain the meaning, sources or processes of regional competitive advantage (Budd, Hirmis, 2004). As Cellini and Soci (Cellini, Soci, 2002) argue, regions aren't simple aggregations of firms and so their competitiveness takes on a different meaning according to the scale or level at which the term is being used; they distinguish between the macro level (the competitiveness of a country), the micro level (the competitiveness of the individual firm) and the meso-level (the competitiveness of local economic systems) and divided the latter into industrial districts (or what Porter would call 'clusters') and regions. The regional level is considered the most difficult and complex one at which to define competitiveness (Kitson, 2004, pp. 27-56).

Michael Storper gives as definition of place competitiveness “the ability of an (urban) economy to attract and maintain firms with stable or rising market shares in an activity while maintaining or increasing standards of living for those who participate in it” (Storper, 1997).

A similar interpretation is given by the European Commission: competitiveness is defined as the ability to produce goods and services which meet the test of international markets, while at the same time maintaining high and sustainable levels of income or, more generally, the ability of (regions) to generate relatively high income and employment levels while being exposed to external competition.

On this topic Camagni (Camagni, 2002, pp. 395-411) takes the view that regions do indeed compete, over attracting firms (capital) and workers (labour), as well as over markets, but on the basis of absolute advantage; then a region may be thought as having absolute competitive advantages when it possesses superior technological, social, infrastructural or institutional assets that are external but benefit individual firms such that no set of alternative factor prices would induce a geographical redistribution of economic activity. There is then a considerable literature, within both economic geography and economics, that emphasizes the distinctive role of regions and cities as sources of key external economies. In economic geography Michael Storper’s notion of ‘untraded interdependencies’ – such as flows of tacit knowledge, technological spillovers, networks of trust and cooperation, and local systems of norms and conventions – is also regarded as central to understanding the economic performance and competitive advantage of a region.

In particular, considerable emphasis is now given to local knowledge, learning and creativity (Pinch, Henry, Jenkins, Tallman, 2003, pp.373-388). Creativity represents

the main factor to renovate different forms of knowledge (Fritsch, 2007). These externalities are classified by Kitson (Kitson, 2005, pp. 987-1001) using different capitals: quality and skills of the labour force (Human Capital), which in turn can vindicate the presence of a highly skilled, creative and innovative/entrepreneurial class (Creative, Knowledge and entrepreneurial capital), development and vitality of social network (Social Capital) and an adequately developed infrastructure to support all activities (Physical capital). Productive capital in turn goes back to Porter's notion of local industry clusters and the presence of a strong regional economy. Comparing Kitson's point of view with the model Richard Florida developed, it's possible to find significant overlaps with Florida placing greater emphasis on the definition of creative, social and productive capital (Florida, 2003, pp. 3-19, 2004). In particular according to Florida, creativity can be defined as a resource which contains different forms (economic, technologic, cultural and artistic creativity) and it has three factors at its base: talent, technology and tolerance. Individual talent is at the base of processes of technologic creation and innovation (Marques, 2007). Technology is the tool by means of which value of this talent can be expressed (Saxenian, 2007), developed and got out. Tolerance is at the base of the acceptance of reciprocal diversity and then grant of social and cultural openness. Another factor of competitiveness of a territory linked to knowledge is given by the quality of networking processes as fundamental factor of processes of collective learning. In this perspective there are two forms of learning: the first, defined collective learning has a strong territorial base because linked to processes of learning by doing and learning by localizing which have as object the transfer of tacit knowledge founded on accumulation of experiences (Camagni, 2002, pp. 395-411);

the second form of learning is that cooperative in network (Camagni and Capello, 2002).

So a critical strand in all of this work on competitiveness and innovation is the importance of entrepreneurs as the vectors between innovation and commercialization, and between a region assets and its ability to be competitive. Entrepreneurs and entrepreneurship having been attracting considerable attention from policymakers, practitioners, and academics over the past decade.

Now one point is clear: the definition and explanation of regional competitive advantage needs to reach well beyond concern with 'hard' productivity, to consider several other – and softer – dimensions of the regional or urban socio-economy. The quality and skills of the labour force (human capital), the extent, depth and orientation of social networks and institutional forms (social/institutional capital), the range and quality of cultural facilities and assets (cultural capital), the presence of an innovative and creative class (knowledge/creative capital) and the scale and quality of public infrastructure (infrastructural capital) are all just as important; they serve to support and underpin, in the form of regional externalities, an efficient productive base to the regional economy (productive capital).

At the end, with reference to physical capital, it is important to underline that initiatives concerning the building up of infrastructures and social overhead capital are important tools for urban and regional development. Investment in economic overhead capital has, as purpose, to make these global city-regions more attractive to inward investment and global capital, and as a result inter-city networks are taking shape.

Then, as argued by Cooke (2002), increased competition in the markets requires

strategic cooperation of actors and local organizations, the development of clusters in “knowledge-based” economies, requires social capital and collective learning. The innovative regions are characterized by more complex institutional relations and by an higher number of actors and institutions. This led some authors (Amin and Thrift, 1995, pp. 91-108) to refer to this process as "institutional thickness". With reference to this last point a very interesting contribution is the model of “Triple helix” in which a configuration with a system of university-industry-government relations is described. So crucial to the effectiveness of regional development path is the cooperation among the three poles of the economy (industry, government and academia), that aim at recouping innovativeness by raising the regions’ technological infrastructures (Tondl, Vuksic, 2003, Amin, 1995, pp. 91-108). Furthermore in an analysis of regional competitive advantage, it is impossible not to consider financial aspect. In today’s new economy, banking deposits may signal the future of many rural communities (Low, 2005). The credit market analysis involves the equipment of banking branches which must be suitable to the needs of the territory; furthermore it needs to grant that the encounter between demand and supply of capitals happens in an efficient way. In the 1990s, a large group of scholars within which there were also King and Levine indicated, found both at country level and regional level, a positive relation between the level of development achieved by the banking system and the growth rates of real variables. Variables used to measure the banking system state of development were of two types. The first refers to the presence and diffusion of the banking system or, in analysis at the regional level, the proportion of bank branches to the resident population. The second group of variables instead measures the amount of financing intermediated by banks. Among these variables there are the

ratio between domestic credit and GDP), the share of credit granted to the private sector, or the credit granted to the private sector in ratio to GDP. In any way, banks are considered essential for economic development in that they are a crucial device for the selection of entrepreneurs and the allocation of financial and real resources. Furthermore also Foreign Direct Investment is considered to be an important feature of economic growth, in particular in substantial restructuring of their economies in order to increase their productivity and competitiveness (Chang & Park, 2005; Dunning, 1997; Bevan, Estrin & Mayer, 2004). All these consideration lead us towards the model of regional attractiveness shown in Fig. 1.

----Insert Fig. 1----

Toward a validation of the model.

The theoretical model of regional drivers and determinants of regional attractiveness has been tested throughout the Delphi method described above. In particular the survey has been driven in three stages:

- in a first moment experts in the three different fields have been interviewed ;
- in a second moment results have been sent to the same sample interviewed;
- reflections on these results have been collected.

As reference at the content of the interview some closed questions have been asked (Attachment A), followed by open questions throughout which experts (Builders of indexes of regional territorial attractiveness, Academics in territorial fields, Industries and administrative bodies) are called to motivate previous replies more deeply. In this way has been possible supply to the original model important contributions; in particular the theoretical model has been improved on two aspects: it has allowed to introduce new determinants of regional attractiveness that hadn't

been identified and, furthermore, a new formalization of drivers has been identified in order to avoid useless repetitions.

In particular, the replies of the regional stakeholders show that 95% of sample considers drivers pertinent even if even 67% says that there are lacks in the model (Fig. 2); with reference at the second aspect three drivers are introduced: tourism, labour market and data on population.

----Insert Fig. 2----

In particular tourism has become a wide-spread phenomenon in our age and a focal point of economic policy of many regions competing for the favours of tourists and it may contribute significantly to both economic growth and employment in the regions (French, Martini, Buffa, 2004; Savelli, 2004; Zamagni, 2001, pp. 223-234). So it has an enormous potential as instrument of regional development (Pastore, Golinelli, Ricotta, 2002). Tourism is a sector with a strong environmental impact, with consequences at the social and economic level; so it's important a global analysis that allows to study the dynamics of development and to calculate the impact and benefits on many sectors it enters in contact with. In this view, territory, considered as source of material culture, natural good and occasion of local development, becomes the basis to start from for the formulation of a tourist product, in order to analyze the complexity and the peculiarity of the components, understand weaknesses and strengths (Dallari, 2007).

The main novelty of the most recent works is formed by the micro-based foundation of tourism attractiveness of competing areas (regions, cities, sites, etc.). Many scholars (Governa, 2005; Baccarani, 1999) use tourist' evaluation of the supply of tourist facilities and attributes in a given area (the 'regional tourist profile') as the

basis for constructing an aggregate expression for the relative attractiveness of this area (Cracolici, Nijkamp, 2005) even if the success of the tourism sector in a Country depends on different aspects.

So competitiveness of tourist destinations has received increasing interest in economic research with a view on the identification of the user attractiveness of a tourist area (Ribeiro, Fareiro, Fabeiro, Pardellas De Blas, 2004 Vera, 2002).

Another important lack in our original model is represented by the population. Population of a particular region or more general, of a particular territory is then one of the main variables of regional development. The demographic profile of a region is in fact usually seen as a slowly changing background phenomenon in the analysis of regional competitiveness and regional growth. However, regional demographic changes may have a significant impact on regional competitiveness and such changes is often more rapid and profound than at national level. In turn, regional population size, growth, composition and distribution are endogenous to regional economic development (Poot, 2007; Vermeulen, Van Ommeren, 2004). Population and employment are often assumed to be interrelated. By definition, employment changes can only be realised through population changes (migration or natural increase), a shift in net interregional commuting or adjustment of labour participation. This underlines the importance of labour market processes in explaining regional population and employment interaction. Also the labour cost can be considered a real driver of regional competitiveness as indicated in the replays to the interview. Regional factor cost or productivity differentials are supposed to matter according to traditional trade theory (Niebhur, 2004, p. 269).

Many studies show that it exists a certain form of relationship between regional wages and market potential (Sudekum, Blien, 2004, p. 1128).

The results got by means of the interviews have than supplied important suggestions with reference to the formalization of model.

Almost 30% of people reply that, in their opinion creative and knowledge dynamic should be merged into a single driver. Starting from this suggestion we have then also found a comparison in literature with reference to the concept of Regional Innovation System (RIS), which gives relevance to the institutional of regional competitive advantage; in this case innovation is viewed as a collected and interactive process which surfaces from relationships (in particular those based on knowledge) among stakeholders aspects. Many scholars have studied agglomeration of production and innovation in space, measuring intra-national versus international knowledge spillovers. It has been underlined more times that the rise of the 'knowledge economy' has made economic success increasingly dependent on capacities to exploit knowledge and compete through innovation (Benneworth, 2006).

Then with the introduction of the driver of population regional experts stressed the necessity of sharing human dynamics in two different drivers: education and population dynamics ant to substitute social dynamics with dynamics of tolerance in order not to have objects creating confusion. Furthermore another important suggestion is to abandon the entrepreneurship dynamics because considered too difficult to compare among different regions and to change name to the productive dynamics substituting them with dynamics of technology. So, considered the

introduction of new drivers and the modifications done to the formalization, the new model is that shown in Fig. 5.

----Insert Fig. 3----

Concluding comments.

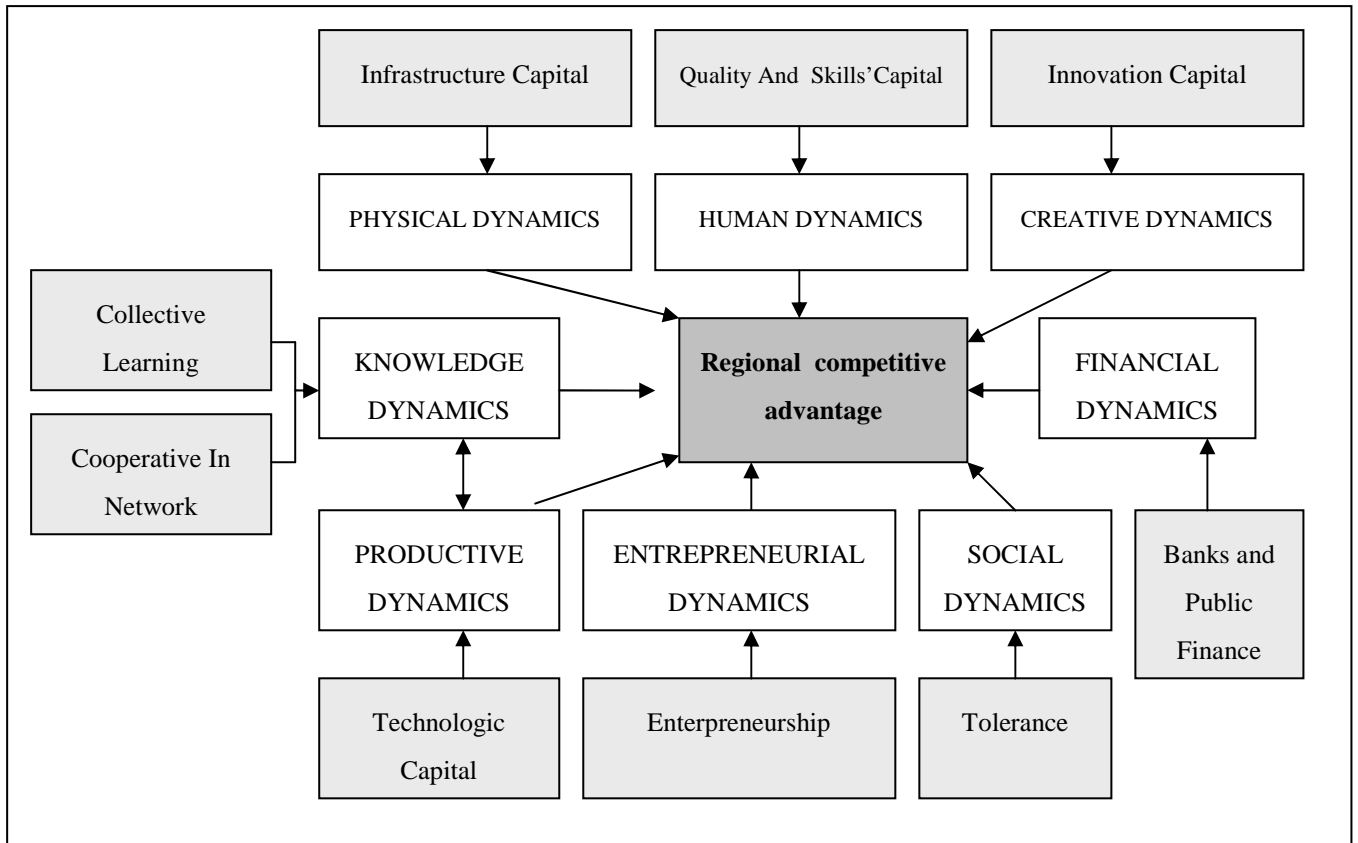
Regional competitiveness is high on the agenda of policy makers nowadays. There is no single theoretical perspective that captures the full complexity of the notion of ‘regional competitiveness’. The overview of both theoretical literature confirms the introductory notion that competitiveness is a difficult and often confusing term over all at regional level; so the need for such a framework on regional competitive advantage is all the more urgent. This paper objective was contribute to this task. It has investigated the composition of regional competitive advantage; the key question of this study was: what makes a region competitive? Existent literature is unable to supply a complete set of drivers describing regional competitiveness; in this paper we support them with those suggested by regional experts in order to obtain a suitable framework to this important concept. In developing this concept it stresses that regional competitiveness is an outcome of multiple components of different nature: infrastructures, education, tourism, finance, tolerance, population, labour, technology, knowledge and creativity. But this is only a starting point to achieve in following research an higher objective; in fact, in an era of performance ranking and indicators also regions need to be compared on the base of their competitive potential; so this paper should be a base to build, throughout the measure of each driver, a full index of regional attractiveness, able to make comparisons among regions and to allow to proclaim some region at the rang of “benchmarking region”.

Tab. 1. Theoretic contributions.

		Theoric fields			
		Historic apport	Economic apport	Geographic apport	Strategic apport
Theoretic concepts	Spatial unit	economy-world	growth pole and development pole	city regions	region and cluster
	Spatial unit's definition	“field of strengths” radiated by a dominant centre which are locomotives of the national economies			group of interconnected companies and associated institutions in a particular field
	Economic development	economic development is unbalanced			
	Local actors	societies as groups of individuals	companies	local network of actors and milieu	groups of firms, non economic individuals and organizations linked to territories with different identities (social, economic, cultural)
	Relationships	great importance of relationships among economic actors	great importance of <i>competitive and exchange</i> relationships among economic actors but they are asymmetrical	great importance of cooperation, conflict and negotiation relationships among economic actors	great importance of <i>competitive</i> relationships among economic actors
	elements of competitive advantage	technologic and thinking armoires, collective behaviour	innovation, technological dynamism, education policy, proximity, human resources and contacts, lines of transportation and communication, foreign investments	collective action, local immobile resources, territorial diversification and overlocal interactions	1) strategic location 2) local market demand 3) the integration with regional clusters 4) human resources but also export base
	elements of analysis	environment, collective destiny and events in the long time	strictly economic	social, economic, cultural	
	Limits	temporal (XV-XVI century) and spacial (mediterranean area) limits	no account of the geographic characteristic, social, cultural and political interrelations that characterize the community of people	resource could not be uniformly given up	Everything is based on competition and not consider the possibility to create new markets (Ocean blue strategy)

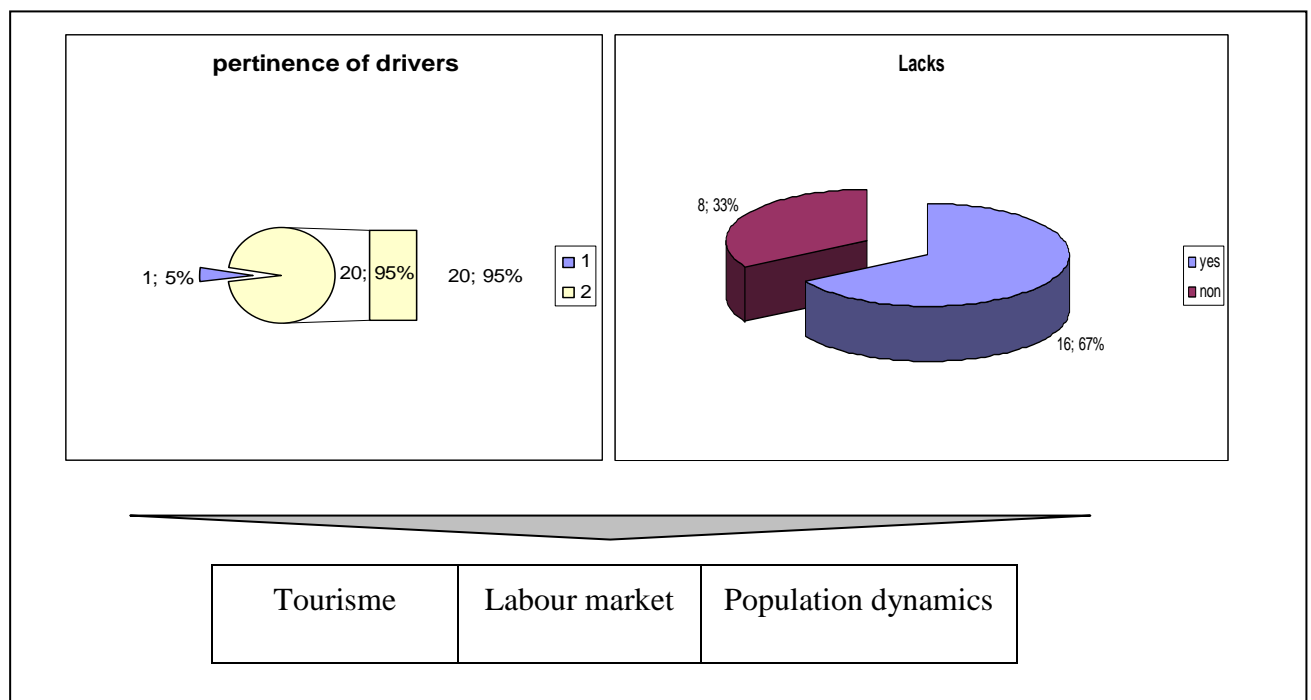
Source: personal elaboration.

Fig. 1. Theoretic model of regional attractiveness.



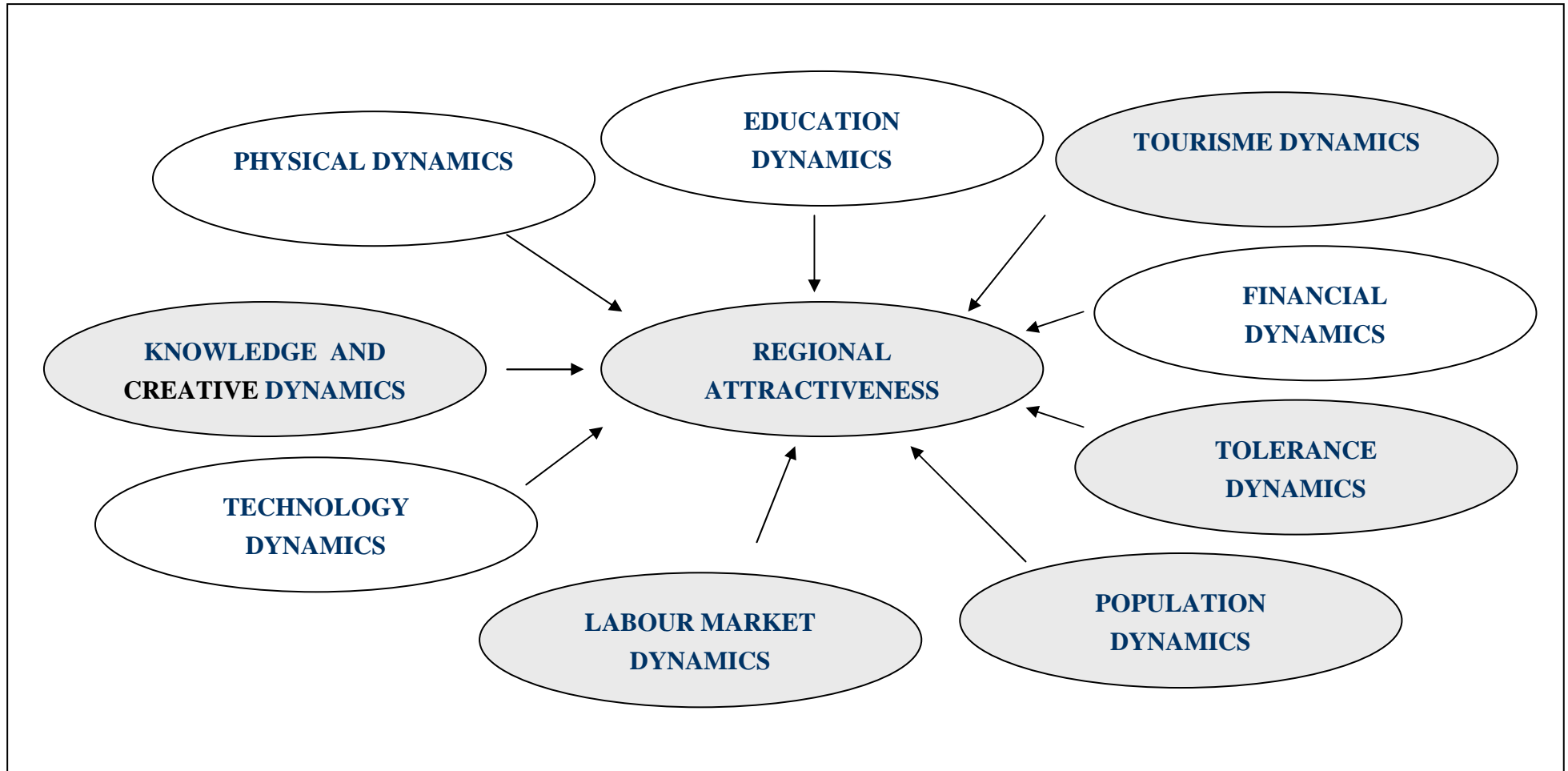
Source: Personal elaboration.

Fig. 2. Pertinence and lacks in drivers and indexes.



Source: personal elaboration

Fig. 3. The validate model of regional attractiveness.



Source: personal elaboration.

ATTACHMENT A. MISURATION OF REGIONAL ATTRACTIVENESS AND LOCAL DYNAMISM.

Theoretic model of regional attractiveness.

The following model is directed to the identification of the main drivers of regional attractiveness, considered this last term as the capacity to attract men, funds, industrial investments/economic activities coming from outside the territory (R. Villa Borges, 2006). In my research I have identified 8 macro-drivers of the regional attractiveness (white rectangles) and their respective indicators (grey rectangles).

----Insert. Fig.1-----

1. With reference to this model:

- **Do You consider relevant the elements chosen as indicators (grey rectangles) of regional attractiveness?** ☐Yes ☐No

In case of negative reply, please comment:.....

- **Do You consider relevant the various drivers (white rectangle) of regional attractiveness?** ☐Yes ☐No

In case of negative reply, please comment:

- **In Your opinion, are there any important drivers of regional attractiveness that haven't been considered in the theoretical model?** ☐Yes ☐No

In case of positive reply, please specify the missing drivers and possible modifications :

Drivers	Modifications
Innovation	
Human dynamics	
Knowledge dynamics	
Technology	
Physical dynamics	
Entrepreneurship	
Tolerance	
Financial dynamics	

Thank you for Your valued contribution.

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