

# **The Canadian Journal of Regional Science Special Issue on Territorial Development and Social Innovation**

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## **Introduction Territorial Development and Social Innovation**

The objective of this special issue is to relate local development to social innovation. These two phenomena, while of increasing interest for some years now (Klein and Fontan 2004; Moulaert et al 2005) rarely converge in the works of researchers and experts. Thus, the need to innovate in the field of development is becoming more and more urgent. Both the traditional development models that praise unlimited growth (Rostow 1960) as well as their adaptations to regional and urban development (Friedmann and Alonso 1964) have proven inappropriate for confronting the diverse emerging problems in urban spaces and rural communities in the context of globalization. The territorial hierarchies in the context of the nation state, based on models favouring centrality (Christaller 1933) or polarity (Perroux 1986) to establish a balance between regions and to allow the poorest territories to catch up with the richest territories, are questioned in a context where the specificity of the locations is an asset and not a constraint.

The crisis of the Fordist mode of production of the late 1970s (Aggietta 1976), the redeployment of economic activities begun in the early 1980s (Boisvert

and Hamel 1985), and the subsequent changes made to the governance of societies (Brenner 1999) are some of the main factors of a crisis of regulation (Boyer and Saillard 2002). Such a crisis led to a new mode of organization of economic space, namely one in which post-Fordism flexibility replaced Fordist rigidity (Moulaert and Swyngedouw 1989) and in which global and local scale networks (Castells 2004) replaced the integrated management of social and economic entities as advocated by Keynes (Johnston 1986).

Far from promoting social equality, this new context created new inequalities between the “winning regions” (Benko and Lipietz 1992) and the “losing regions” (Coté et al 1996) and provoked the devitalization of urban neighbourhoods and towns. These latter were deserted by private capital and neglected by public bodies for the benefit of territories that are more “profitable” on the economic and policy levels (Fontan et al 2003).

The world space structured by these changes, as with the restructurings of the governance of territories, are, however, far from homogeneous. The differences between the countries (Boyer and Souyri 2001) is compounded by a diversity of situations within those same countries – a diversity accentuated by the loss of interterritorial solidarity (Klein 2008) and the loss of effectiveness of institutions which generate social cohesion at the scale of the nation state (Jenson 1998; Beauvais and Jenson 2002). This leads to an atomization of national spaces in favour of the most performing spaces. This trend, already fairly widespread at the global scale (Viard 1994; Veltz 1996; Scott 2001; Castells 2004; De Mattos et al 2005), is even stronger in the so-called underdeveloped countries, whose regulatory capacity is weaker (La Serna 2007).

However, this same global space is also the scene of another process; a process which put in action local communities on the economic and on the social levels (Arocena 2001; Laville 2007; Nussbaumer and Moulaert 2007). In those communities, private (businesses, capital), public (national agencies, regional or municipal governments), and social (cooperatives, third sector, community organizations) stakeholders establish partnership and collaboration relationships prompted by the recognition of a shared territorial identity (Klein 1992; 1997; Nyssens 1997). Socio-economic arrangements thus take shape with the purpose of ensuring a development oriented toward the local collectivity. Socially innovative initiatives take place, be it from the impetus of state programs that create development opportunities or as a result of the action of the local communities themselves (Fontan et al 2005; Drewe et al 2008).

At the level of the territories, social innovation thus becomes an option in the face of insufficient state action (Nussbaumer and Moulaert 2007). This insufficiency may be desired and provoked by reforms that shift state activity from developing territories to supporting sectors considered performing (Amin 2007). It can also be the consequence of the historical incapacity, above all in underdeveloped countries, to regulate private capital – an incapacity that is today highlighted by neoliberalism oriented policies (La Serna 2007).

The innovative initiatives undertaken by the local actors can take many forms. Many typologies have been proposed with regard to innovative initiatives in the domain of local community development (Benko 1995; Lévesque et al 1996;

Moulaert and Sekia 2003; Klein 2006). Our research shows that the innovative initiatives can adopt at least four approaches: productive, technological, political, and social.

The *productive* approach involves establishing territorial productive systems at the local or regional scales. While these systems may take many forms, they all constitute productive configurations based on the local integration of businesses and socio-political actors. Many terms have been used to refer to those configurations, the most common of which is probably “local productive system.” Inspired by the notion of “district,” as used by Beccatini (1992) and disseminated by Piore and Sabel (1984) and Benko and Lipietz (1992), the strategic propositions of this approach stress the necessity of geographically regrouping the diverse types of entrepreneurs and actors of the same sector in order to create a local development dynamic. The main premise of these works is that spatial proximity leads socio-economic actors to value their territorial identity and, consequently, to adopt local governance based strategies in order to unify the action of the productive actors and businesses, thus generating the conditions for the creation of productive clusters.

The approach assumes that there is a relationship between physical proximity, innovation, and socio-economic dynamism in the context of the globalized economy. However, it has also been shown that this relationship is not automatic; to innovate on the socio-economic level, spatial proximity must be combined with other forms of relational type proximities (Grossetti 2003; Dupuy and Burmeister 2003). The approach also assumes that those interrelations result from the action of social organizations that ensure the intermediation between the different actors. Today we also know, thanks to diverse case studies and critical analyses (May 1986, Markusen 1996), that local productive systems can not be analyzed separately from the other components of economic space and, above all, without taking account of its necessary integration into the global metropolitan networks that shape the global economy.

The *technological* approach focuses on the social arrangements likely to promote technological innovation within local businesses. Two branches can be distinguished from the works examining this approach: regional innovation systems and innovative milieus.

Inspired by the notion of national innovation systems, (Lundvall 1992, Freeman 1995), the branch of regional innovation systems includes the works which advocate that innovation and the economic and social dynamic evolve in the framework of territorial systems where private businesses, public institutions, and centres of advanced scientific research collaborate in an interactive fashion (Braczyk et al 1998). This type of collaboration engenders knowledge and allows for the local valorization of such knowledge (Holbrook and Wolfe 2002), which in turn poses the challenge of learning (Wolfe 2002). From that perspective, the more flexible governance is, the more innovative and performing regional systems can be.

More oriented towards the development of an option in the face of the traditional regional development approaches, the notion of innovative milieus – proposed by Aydalot (1986) and by the researchers from the Groupe de recherche

européen sur les milieux innovateurs (GREMI) – places emphasis on milieux that promote links between technological innovation, entrepreneurship, and the territory. The insistence on this notion has allowed authors associated with GREMI (Camagni and Maillat 2006) to analyze the endogenous mechanisms for innovation production and dissemination learning.

Even if the idea of a regional innovation system focuses more on governance, and that of innovative milieux on the interrelations between local economic actors, both notions put entrepreneurship and technological innovation at the centre of their concern. Much research has shown that, while crucial, technological innovation is not a solution as such for local and regional problems; it also has negative effects at diverse scales and is not sufficient to improve the quality and conditions of citizens' lives (Hiernaux-Nicolas 1999; Hillier et al 2004). Knowledge is not only scientific but also social; this calls for interrelations between the knowledge production organizations and the social actors. Technological innovation and the amplitude of its dissemination depend on the levels of social stability and of the existing equity in a territorial community.

The *political* approach essentially places the problem of power, in particular local power, at the centre of the analysis concerning the capacity of local actors to innovate in the framework of globalization (Stone 1989). The approach follows from a political – economic vision based on the study of the place in North American urban milieux (Logan and Molotch 1987). The approach emerged in the United States in the 1980s and had a great influence on urban studies (Jouve and Booth 2004). The objective of the works inspired from this is to understand the urban restructurings in response to the crisis which affected the economic foundation of the large industrial cities.

The main concept of this approach is that of “coalition,” defined as social arrangements of actors likely to mobilize internal and external resources (Stone 1989). Thus, the orientations and effectiveness of the restructurings implemented in the local communities depend on the type and stability of the coalitions that govern them. Kantor et al (1997), refining that approach, proposed a typology based on three criteria: the position with relation to the market; interrelations between private economy actors and government institutions; and citizen participation in democratic life. Crucial because it poses the question of power, the approach has been criticized because it does not take account of the national and international dimensions of political power and because it leads to a corporate and elitist vision of local development (Deitrick 1999). In that context many authors expressed the need for more inclusive and cohesive coalitions.

The *social* approach, for its part, is based on research which postulates that the local territory is a generative framework of social links and collective actions (Denieuil 1997), and which stands in relation with the social movements (Klein 1997). This research contends that the sense of territorial belonging allows for the creation of community spaces that are adapted to modern society and that are diversified and inserted in various ways into global society. The social movements reterritorialize themselves and deploy actions for facing opponents on the local, national, or even international levels regarding local problems. The local reference of the actors, i.e., their territorial identity, leads them to accomplish collective

actions that have economic objectives and that are inspired by the sense of belonging to a local territory, thereby reconciling the economy and society (Sainsaulieu 1997). This gives rise to a community approach that goes under different names (social economy, solidarity-based economy, community economy, popular economy) (Nyssens 1997). While the different names reveal important nuances, all refer to forms of wealth production in which the community participates in a direct way, namely, by applying associative modalities with regard to the production of goods or services as well as to the sharing of benefits (Laville et al 2005; Laville 2007).

From a social innovation perspective (Moulaert et al 2005; Klein and Harrison 2007), these sectorial approaches are not sufficient. Rather, they must be integrated. This is what the “integrated territorial development” approach advocates. The approach promotes the linking of economic and social actions as well as a multi-level governance that incorporates the economic actions, political bodies, and cultural dimensions of the communities (Hillier et al 2004; Nussbaumer and Moulaert 2007). The key notion of this approach is that of socially innovative strategies, defined as inclusive, participative, and ascending. By means of those strategies, disadvantaged communities become the basis of an integration strategy of diverse sub-systems of the local society.

Social innovations thus have an effect on the institutional environment which structures the community at all levels (productive, technological, political, and social). At play are progressive changes that originate from the interrelations, on the one hand, between civil society organizations and the institutional framework, and, on the other hand, between local experiments and global networks. It is this perspective that informs our reading of the papers in this special issue.

The first four papers in the issue discuss the question of social innovation in local community development from a global perspective. The first paper (Klein et al) deals with territorial problems generated in the context of socio-territorial divides inherent to globalization, starting with the example of Quebec. These problems essentially concern poverty and exclusion of certain territories and within certain territories, explaining the need to implement innovative local initiatives in order to change the conditions that have caused the devitalization of those local milieus. The second paper (Moulaert) develops the approach of integrated territorial development from an analytical and conceptual perspective, applying both a social and territorial logic. The text emphasizes that the place of social innovation in local development goes beyond the mobilization of the social capital of the collectivities and concerns the production as such of the local space. The third paper (Wolfe) discusses the role of the social dynamic in innovation in the context of regional municipalities. Beginning with the study of Ontario cities, the text analyzes the spatial dimension of the innovation process, the importance of creative actions, and the role of government bodies. On the basis of that analysis, the text then demonstrates the need for an appropriate intervention of public bodies at all levels in order to meet the human capital demands posed by the emergence of a knowledge-based economy. The fourth paper deals with innovations realized by associations and associative systems for people-oriented services. The text discusses the link between social actors and political bodies and

shows how territorialized social economy based associations systems working to provide proximity services are taking shape.

The following four papers refer to case studies of social innovations in local milieus in diverse institutional contexts. The fifth paper (Hamdouch et al) examines social economy organizations in the city of Lille in France. Operating in an institutional context that allows for an active role of those organizations, the latter can generate opportunities in terms of services and capacity of action. However, they are faced with new challenges, the main one being the risk of their institutionalization, which would compromise their independence as well as their mission. The sixth paper analyzes a development project involving cultural action in a rural village in Portugal (Andre and Abreu). The implementation of a partnership action between the local community and artists coming from the outside triggered a development process based on the arts which modified the entire local system. The authors use this example to discuss local development in post-rurality village milieus. The seventh paper (Jayo et al) discusses the case of Banco Palmas, a microcredit project implemented by a neighbourhood association in the city of Fortaleza, Brazil. With its mission for local community development, the microcredit project gained the recognition from the community as well as from more global levels, including banks. The eighth paper (Raufflet) analyses the possibilities and failures of a collaborative territorial planning project in Mexico. Confronted with two planning concepts – a minimalist concept advocated by the local elite and a holistic concept promoted by the community – the project evolves to the changing rhythm of the dominant political perspectives, demonstrating the institutional constraints within which local actors operate.

Examining social innovation in local community development from diverse perspectives and different examples, all papers are premised on the argument that the contribution of social innovation to local community development consists in the proposition of a method based on citizen mobilization as a means to fight devitalization and territorial vulnerability caused by globalization. The social innovation perspective applied in local development allows us to contend that, in order to respond to the problems experienced by local communities, local actors must innovate. The creative capacity of communities thus becomes a key asset. The capacity to explore new solutions to development problems, and further to change the way those problems are articulated, becomes a crucial factor for responding to those problems. The principal effect of social innovation on local development consists, in fact, in the capacity of ensuring social collaboration links, i.e., to implement inclusive social arrangements that allow for the reconstruction of social cohesion at the local level. In essence, the task consists of building local systems of actors based on local regulations, i.e., on conventions ensuring a governance capacity likely to inspire experimentation and research and to support initiatives allowing to improve the conditions and the quality of life for citizens for the long term.

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