## LEARNING REGIONS: TOWARDS CONTAINER CONCEPTION

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#### ABSTRACT

Learning regions became increasingly popular conception of regional development. Municipalities and regions are eager to apply this approach on their territories. However, learning regions have not been satisfactorily defined so far. The article moreover shows that in recent years we wittnessed rather broadening than specification of this conception, which concerns both theoretical and practical perspectives. Subsequently, numerous questions about future applicability of learning regions arise.

#### **KEY WORDS**

Learning regions, case studies, theory, practice

### **1. Introduction**

Economic and geographical worlds become increasingly penetrated by learning regions. Learning regions constitute the most modern and at the same time rather vogue conception that strives for the explanation of economic development in space. Institutional features of regions, networking, embeddedness, capability to learn and innovations represent the notions that are frequently used both in theory and practice of local/regional development.

The promoters of 'learning regions' claim that the source of regional competitiveness consists in the knowledge, capability to learn and to create the cultural setting that fosters the innovations. The problem of learning is not connected merely with advanced economic sectors and development of new technologies, but also with innovations that arise in the territory of given municipality or region. The competitiveness is not comprehended as a price competition but as a competition based on unceasing innovations. Knowledge is perceived as the most strategic 'source' and learning as a decisive process from the perspective of competitiveness. The differences in the capability to learn and to innovate are grasped as a key mechanism of regional differentiation and their role will even augment with highest probability in the future.

Maskell and Malmberg [1] underline that regional capabilities can be seen as the combination of human and physical resources available, the structures established in the region through time, and region's specific institutional endowment as they are shaped by the previous rounds of knowledge creation. By embodying knowledge useful for particular classes of activities the institutional endowment reinforces the path-dependent nature of regional economic development.

According to these authors, over time, regional capabilities change as resources are exhausted, as structures decay and as institutions degenerate or become outdated. All these processes lead to a deterioration of regional competitiveness. Others might even imitate some of the region's capabilities thereby turning them into ubiquities. Sustainable regional competitiveness implies that the process of asset erosion must be compensated by the formation of new capabilities through the replacement of decrepit resources, the rebuilding of obsolete structures or the renewal of outdated institutions.

Nijkamp and van Geenhuizen [2] point out that despite its popularity, the paradigm of learning regions remained poorly conceptualised and poorly tested in empirical studies. While there are many good case studies of learning regions, we lack comparative studies based on a common research design. A poor conceptualisation is also true for the development of learning regions over time (see for instance [3]). Indeed, the enthusiasm connected with learning regions is often missing its own foundation. From theoretical point of view, there exist a couple of generally accepted principles but what we are still missing is bigger, consistent and solid theory. From practical point of view, both [2] and [3] underline that we cannot be conclusive about what is the best for regional development since there is nothing like best practice but number of good practices.

Learning regions were largely based on case studies so far. This essentially means return towards idiographical regional economics and resignation on the creation of generally utilizable conception.

The main objective of the paper consists in the review of both theoretical and practical categories connected with the conception of learning regions. Apart from theoretical and practical shortcomings of this conception a new, dangerous tendency appeared in recent years: learning regions serve as a shelter or container for various, typically rather heterogeneous approaches to regional development. What do they have in common is possibly only their – either real or pretended – innovative nature.

# 2. Common Denominators of Learning Regions in Theory

In spite of not-yet-matured character of learning regions, there exist certain categories and principles that are generally accepted as inseparable part of this conception. However, closer scrutiny discloses that they are surprisingly slim in numbers. The following paragraphs bring an essential overview of these categories and principles.

The supporters of 'learning regions' distinguish between codified knowledge and tacit knowledge. While codified knowledge can be standardised and can be learned via instructions and plans, the latter can be gained only by means of our own experience and participation when practising the given activity. Codified knowledge can be usually sold as a product. On the contrary, tacit knowledge and skills become the source of competitive advantage as they are bound to specific regional context and institutional characteristics of the territory (networks of contacts, forms of embeddedness).

Tacit knowledge and skills are represented for instance by the ability to reach the consensus or the way of the stimulation of workers. Lundvall [4] asserts that tacit knowledge constitute collective entity and therefore they are necessarily connected to the process of socialising in given social context. As [1] point out, in an era when codified knowledge is globally disseminated faster than ever before, tacit and spatially much less mobile forms of knowledge are becoming more important as a basis for sustaining competitive advantage.

Learning and innovations in the region usually are not isolated. The learning and innovative potential is substantially influenced by the form of relations among regional actors and their milieu [5]. Milieu is perceived not as mere networks of relations with the other actors and institutions but as a general framework for all activities. It comprises institutional structure, social values or political culture of the country or region, in which the actor is embedded [4].

Generally, the most relevant characteristics of learning regions can be expressed as follows:

- (i) Existence of the higher number of regional actors (municipalities, towns and cities, enterprises, firms, NGOs etc.). Their interactions can facilitate the exchange of information and new ideas.
- (ii) Existence of consulting, R&D institutions and transfer centres that co-operate with the other regional actors. This raises the probability of the occurrence of industrial innovations and retroactively also the quality of these institutions.
- (iii) Regional culture and institutions. This category is the most problematic one since it is hardly possible to stipulate normatively, what should be the character of the culture and the institutions in the region in order to maximize its capacity to learn and to innovate.

From the functional standpoint, it is possible to distinguish several forms of learning:

- (i) Learning by doing,
- (ii) Learning by using,
- (iii) Learning by searching,
- (iv) Learning by interacting.

According to [4] learning by interacting is the most typical form of learning in regions.

Conception of learning regions stresses intensive interactions among regional actors as well as an existence of trust-based relations and supportive institutions that facilitate the mutual communication. The capability to learn depends not only on spatial proximity and agglomeration effects but on more general character of regional culture and on the way, in which particular networks of contacts are combined, blended and complemented by practices and routines and further forms of institutional embeddedness. Amin and Thrift [6] speak about so-called 'institutional thickness', which forms the base for the institutional adaptation of regions. The institutional quality of region is based on:

(i) The existence of traditional institutions, which secure regional planning and development.

- (ii) The high quality of contact and co-operative behaviour among these institutions that is based on keeping both formal and informal rules.
- (iii) Exact definition of competences and financial resources inside as well as among these institutions. The creation of co-operative coalitions should be enabled.
- (iv) The employees of these institutions should act 'regionally consciously'. The existence of common vision and priorities of regional development is indispensable in this context.

Apparently, 'institutional thickness' is requisite but not sufficient condition of regional development. However, 'institutional thickness' serves as a basis for the formation of creative milieu in the region, which is the decisive factor of the generation of innovations inside the region.

Networks of contacts and relations among regional actors increase the capability of regions to mobilise the resources and information and respond to the changes of the socio-economic circumstances more flexibly. The existence of the networks of contacts with different quality and different rate of trust creates the context, in which socio-economic transactions take place. These networks represent the basis of market mechanism, which can be empirically and rather exactly analysed. Every regional actor (an individual, an enterprise etc.) is connected with the networks or is embedded in the networks of contacts that to a large extent predestine his or her possibilities (see for instance [7]).

The next specific form of learning is so-called benchmarking or the orientation to the best practices. The main mission of benchmarking is to analyse the differences among regions and to seek the causes of these differences at the same time. In order to keep the competitive advantage, the regions strive for reaching the quality standards. If possible they try to be better than their competitors. In comparison with traditional competitive analysis, benchmarking provides two advantages:

- (i) The comparison is not made with direct competitors but with these that implemented the innovations and are on the very top at the moment.
- (ii) In case, we compare ourselves with non-competitors or indirect competitors, the exchange of primary information is much easier.

It is thus possible to state that from the spatial perspective, factors determining economic growth and development of both urban areas and regions are becoming increasingly intangible, like institutions and socio-cultural settings and relations and increasingly mobile, like capital, codified knowledge and partly human capital (see also Nijkamp and van Geenhuizen [2]). So, to sum it up, theoretical basis of learning regions is distinctively of multidisciplinary and at the same time of heterogeneous character. At the first glance, this should not be harmful since it allows us to draw on more realistic picture of local/regional development; however, a short excursion into practice reveals that inner fulfillment of theoretical categories and principles is relatively a superficial one and concerns much wider scope of problems than stated by learning theory.

# **3.** Contradictory Meanings of Learning Regions in Practice

As it could be seen, learning regions represent new and still developing conception, which can only hardly be delimitated in a more general way. From this point of view, they cannot be accepted as a theory, which creates system of knowledge, in which bigger discrepancies cannot be found.

The whole conception is of idiographical character and does not want to offer general conceptions, but concentrates rather upon particular case studies of localities and regions and attempts to identify a unique economic-institutional constellation that led to blooming of these areas.

From the practical standpoint, learning is often connected with innovations. More precisely, learning is a process, by which the qualitative improvements in economicorganisational categories should be reached. However, these improvements necessarily vary both in their scope and intensity.

Innovations are introduced on layering the previous knowledge, but in contrast to the investment projects, they are not introduced consecutively on the basis of their efficiency. Semi-random character of innovations practically eliminates the creation of more general conception of learning.

Further, one has to consider rather differentiated socioeconomic level of individual countries, regions as well as particular subjects. Hence, the innovations will again necessarily be of heterogeneous character, which is based on both knowledge-stocks as well as contemporary needs of different territories or subjects. It is closely connected with the different interpretation of the notion of learning regions. While in some countries, the learning region is characterised by the implementation of internet into educational institutions, in another country learning regions are labelled by support of hi technologies or managerial innovations. To sum it up, learning process always concerns a particular rank and subsequently, from vertical perspective, its characteristics vary.

A couple of examples will show that the same holds true also for functional – or horizontal – differentiation of learning processes. Thus, learning process is currently used in connection with the following spheres:

- (i) New approaches towards the city or regional management. This ranges from the rationalisation strategies directed towards the application of business concepts into the public sector (see [8] or [9]) to the increasingly popular issue of governance (see for instance [10]).
- (ii) Urban regeneration, which typically consists in redefinition of functional categories of urban life and physical remodelling the city. This is often accompanied by the changes of social component of urban life (e.g. [11]).
- (iii) Networks and networking. They became an inherent part of qualitative characteristics of territories and increasingly influence spatial interactions as well as spatial structures (see also [12]).
- (iv) Social capital that is a concept with a variety of interrelated definitions, based on the benefits stemming from social networking and connexions.
- (v) Innovations in business, for which terms, such as organisational learning and networks, systems of innovation or the role of proximity in the transfer of information and knowledge are characteristic (see for instance [3]).
- (vi) Education, with very wide implications from the role of universities in territorial development [13] or [14] to the changes in educational systems.
- (vii)Entrepreneurial issues, which also concern wide spectrum of issues that should stimulate the competitiveness of subject in question (see for example [10] or [15]).
- (viii) Urban and regional marketing that strives primarily for the approximation of urban or regional product to the given target group (e.g. [16]).
- (ix) Clusters in the sense of the association of economic subjects that cultivate and deepen their supplier-customer relations (see for instance [17]).

It must be stated that this list is far from complete. However, only such a brief enumeration shows the heterogeneity of learning regions. Put less euphemistically, a fine chaos embraces the whole conception. In spite of these developments, there are unceasing endeavours to gather various learning approaches under seemingly safe shelter of learning regions. Symptomatically, learning regions are often connected with the support of educational and developmental activities in the framework of the EU regional policy.

Last, but not least, learning regions have different meanings in advanced developed countries and in

transitional ones that underwent entirely different – and distorted – development from institutional point of view (more about it in [18]). These system differences are not classable under horizontal nor vertical dimension of learning regions. Their importance lies in the creation of entirely specific societal contexts.

Generally, learning is often reduced to a 'cure all' for the maladies affecting contemporary life but at the same time it lacks the robustness in both theoretical and practical terms.

## 4. Conclusion

From the perspective of regional development, learning is undoubtedly a good idea. Learning can act as one of principal stimuli of endogenous development, which is truly efficient as it changes the quality of socioeconomic structures of individual localities or regions. At the same time, learning regions represent immature conception, which desperately calls for further development. There exist great and augmenting differences in the process of learning from both vertical (rank) and horizontal (functional) standpoints. Learning regions thus cover heterogeneous approaches form both theoretical and practical points of view and form container conception indeed. Hence, it is hardly surprising that transferability of learning processes into different regions constitute strongly debatable theme and individual territories are rather compelled to rely on their own developmental strategies.

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