Handbook of Local and Regional Development

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Putting ‘the political’ back into the region
Power, agency and a reconstituted regional political economy

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Introduction

The concept of power has been present within regional studies since at least the 1970s, when the introduction of Marxist perspectives led to regions being analysed in the context of wider processes of capital accumulation and uneven development (e.g. Massey 1979). Power was also implicated in parallel debates over underdevelopment and dependency theory in the related field of Development Studies concerned with how the Global South (developing countries) continued to be exploited by the North through relations of informal imperialism (Potter et al. 2008). Until recently, however, there was a surprising lack of conceptual discussion about the role of power in local and regional development. In particular, regional studies and economic geography have lagged behind other areas of social science in engaging with post-structuralist conceptions of power (see Deleuze and Guattari 1987, Foucault 1980, Latour 1993).

Conventionally, power has been viewed as a fixed capacity that is held or possessed by a particular individual, group or organisation (Allen 2003). This definition of power as a ‘centred’ capacity identifies two distinct forms of power relation (ibid.). First, there is the instrumentalist or ‘negative’ notion of power ‘over’ others, whereby particular actors subject others to their will. According to Dahl’s influential definition, “A has power over B to the extent that he or she can get B to do something that B would not otherwise do” (Dahl 1957, quoted in Sharp et al. 2000: 5). This meaning of power underpinned the community power debates of the 1960s and 1970s in which pluralists argued that power was dispersed between different local groups whilst elitists contended that it was wielded by a particular set of actors (the elite) within the community (see Stoker 1995). The second meaning, by contrast, views power as an associational process where people come together to develop collective projects in the pursuit of shared goals. This is a more positive or ‘softer’ sense of the power to get things done with power playing a facilitating rather than a constraining role.

Post-structuralist conceptions of power have become increasingly influential across the social sciences and humanities in recent decades, viewing power as a fluid and dynamic medium that is constructed and exercised through specific discourses and forms of knowledge that permeate society (Allen 2003, Deleuze and Guattari 1987, Foucault 1980, Latour 1993, Sharp et al. 2000).
This approach has begun to filter into regional studies in recent years, particularly through the concept of the ‘relational region’ (Allen and Cochrane 2007, Allen et al. 1998, MacLeod and Jones 2007). From this perspective, regions are increasingly viewed as sites of ongoing social processes between competing forces and actors rather than as coherent and fixed entities. According to Allen and Cochrane (2007: 1163):

The diverse ways in which the ‘coherence’ of a region is constructed and acted upon by different, and often new, political actors is the result of a complex set of political mobilisations at any one point in time […] the invention and reinvention of regions is a constant.

By viewing regions as ‘open, discontinuous spaces’ (Allen et al. 1998: 5), the concept of the relational region challenges traditional views of regions as territorially bounded or enmeshed in a hierarchy of nested scales (i.e. regional, national, supra-national, global). Instead, relational thinking views ‘the region’ as part of a set of horizontal spatial networks connecting the local with the global, informed by the actor-network theory of Latour (1993).

In this chapter, we aim critically to assess the value of post-structuralist conceptions of power in relation to underlying processes of local and regional development. In so doing, we recognise that they provide important insights into the fluid and dynamic processes by which localities and regions are constructed. At the same time, however, we agree with Hudson (2007) that regions continue to be the site of historically rooted and territorially embedded social relations (MacKinnon et al. 2009). Accordingly, we argue for the development of a revived and reconstituted (‘new’) political economy approach (Goodwin 2004, Hudson 2006). This emphasises the institutionalised processes through which regions evolve as part of the spatially uneven development of capitalist social relations (MacKinnon et al. 2009, Smith 1984), incorporating certain post-structuralist insights on power, networks and space. We begin by assessing recent regional development discourses of established conceptions of power. We then discuss some of the possibilities and limitations of relational accounts of power and space. This is followed by a discussion of how certain post-structuralist insights might be integrated into a ‘new’ political economy approach to local and regional development.

Power in local and regional development: orthodox approaches

Power has rarely been an explicit theme of the ‘new regionalist’ literature of the 1990s and early 2000s, underpinned by the belief that regions had become more prominent as units of economic organisation and political action (Amin 1999, Lovering 1999, Morgan 1997). Nonetheless, certain strands of ‘new regionalist’ research were informed by an implicit notion of power derived from studies of urban governance and urban regime theory in particular (Stoker 1995), involving a blending of interests as private ‘rentier’ groups and local government came together to promote cities and attract mobile investment (cf. Logan and Molotch 1987).

For instance, the concept of territorial innovation systems is based on leading firms, universities, research institutes and regional government agencies working together to promote innovation (Cooke 1997). According to Asheim (2000: 427), the governance of territorial innovation systems is based on close “university–industry cooperation, where large and smaller firms establish network relationships with other firms, universities, research institutes, and government agencies based on public–private partnerships”. The concept of a territorial innovation system overlaps substantially with the
interactive model of innovation developed by theorists of innovation (Freeman 1994). In place of the traditional linear conception of innovation focused on large corporations and formal research and development in scientific laboratories, the interactive approach views new and improved products and services as emerging out of collaboration between different organisations, particularly large corporations and their suppliers, but also involving universities, industry bodies, research institutes and government agencies (Cooke and Morgan 1998).

The influential work of the 1980s and early 1990s on industrial districts also incorporated a sense of power as a collective capacity. As a number of scholars stressed, the success of the Italian districts was deeply rooted in local institutions and culture (Amin 2000). Within the strongly communitarian political cultures of Central and North Eastern Italy (socialist in Tuscany and Emilia-Romagna, Catholic in Veneto), political parties, local authorities, labour unions, industry associations and chambers of commerce developed a sophisticated reservoir of knowledge, skills and resources for the use of firms and entrepreneurs. In particular, the sharing of knowledge and ideas between small firms facilitated incremental forms of continuous innovation, although critics such as Harrison (1997) argued that the emphasis on small firm innovation was overstated in the face of the continued dominance of large firms.

The emphasis on collaborative inter-firm and inter-organisational relations also reflects the influence of network approaches. For instance, Cooke and Morgan (1993) advocated the network paradigm as a new approach to regional development, emphasising the interactive and cooperative properties of ‘flat’ horizontal networks compared to vertical hierarchies and markets based on economic rationality. More recently, researchers have contrasted the ‘softer’ kinds of power evident in alternative food networks against the hierarchical relations by which larger multinational corporations control mainstream commodity chains (Morgan et al. 2006).

In general terms, as Allen (2003) argues, the conception of power as a ‘centred’ capacity conflates the possession of the resources upon which power resides and the actual exercise of that power. As a result of its reliance upon this approach, ‘new regionalist’ research has seriously under-estimated the difficulties encountered by dominant coalitions in the negotiation and implementation of particular agendas and projects, failing to allow sufficient scope for contestation and resistance (MacKinnon et al. 2002).

There has also been little interest in unequal power relationships between different interests and groups. Research on territorial innovation systems and ‘learning regions’ (Cooke 1997, Morgan 1997), for instance, views relations between firms in the supply chain as harmonious and collaborative, prompting some case study research into the unequal relations between transnational corporations (TNCs) and small and medium-sized enterprises (SMEs) (Christopherson and Clark 2007), which may involve the former exercising power ‘over’ the latter. Other research has assessed the potential for regional institutional capacity to be ‘captured’ by TNCs in the face of intense inter-regional competition for mobile investment (Phelps 2000). By contrast, in the research on alternative food networks cited above, ‘soft’ power is invoked without much recognition of the scope for conflict (Morgan et al. 2006). This reflects how the prevailing conception of power as an associational capacity privileges cooperation over competition (Markusen 1996), failing to attach sufficient weight to one of the key underlying imperatives of capitalism.

‘Spatial vocabularies of power’: relational approaches

In contrast to the rather narrow conception of power that characterises much of the existing work in regional development studies,
a number of human geographers have developed more sophisticated and multi-faceted perspectives on the operation of power, drawing upon post-structural theories (Allen 2003, Massey 2005, Sharp et al. 2000). One key source of inspiration here is Michel Foucault’s ‘capillary’ conception of power as a fluid and mobile medium which circulates throughout society (Foucault 1980, Sharp et al. 2000). Deleuze and Guattari’s (1987) writings also evoke a similar sense of the fluid and ‘unfolding’ properties of power, reflecting the immanence of the social relations between people and things.

Informed by such post-structuralist conceptions, Allen (2003) defines power as a relational effect of social interaction. In place of the conventional geographical assumption that power is territorially bounded and organised across nested spatial scales (the local, the regional, the national, etc.), Allen favours a more open topological approach which sees power as a product of the networks and associations constructed across space. This offers the important insight that the possession of power must be distinguished from the actual exercise or activation of this power (Allen 2003). As such, it is the processes through which power is exercised in particular temporal and spatial contexts that generate discernible material effects rather than the mere possession of power itself. For example, regional development agencies in England have the capacity and resources to develop regional economic strategies as the result of a specific Act of Parliament (Jones 2001, Pike and Tomaney 2009a). Yet it is the activation of these powers, partly through the implementation of their respective strategies, that allows RDAs to have material effects on the performance of the regional economy. This is crucially dependent upon building relations with a host of other regional organisations and interests (e.g. firms, business networks, universities, local government and trade unions), requiring frequent liaison and support.

One of the major contributions of Allen’s (2003) work is to distinguish between different modes of power and the relations of proximity and reach through which they are exercised spatially. Other modes of power besides domination and expertise include: coercion, grounded in the threat of force or negative sanctions; manipulation, involving the concealment of intent; seduction, which engages subjects’ own interests and desires; and negotiation and persuasion, which are associated with associational forms of power through the construction of shared agendas. Interestingly, Allen suggests that the ‘softer’ types of power relation such as seduction and manipulation often have a greater spatial reach than authority. The fact that the latter is dependent upon recognition by others means that direct presence is often important, while domination often triggers an opposing reaction (Sharp et al. 2000). From the perspective of ‘getting things done’ at the regional level, key organisations such as RDAs remain dependent on localised interactions and the generation of trust between social actors, in order to achieve particular ends. In this respect, despite the limitations highlighted above, the ‘positive’ conception of power as a collective capacity (Cooke and Morgan 1998) remains valuable for research on local and regional development.

Before turning to our ‘new’ political economy approach, we offer three critical comments on post-structuralist conceptions of power and space. First, such approaches tend to restrict power to questions of its exercise and effects (Allen 2003), arguing that power is performed through the construction of spatially extensive networks and associations rather than being possessed by ‘centred’ organisations and interests. While this approach raises exciting new research questions, power does not need to be viewed in such binary terms (MacLeod and Jones 2007). The rejection of conventional notions of power as a capacity seems overly narrow and limiting, undermining the vital distinction between capacity or potential and effects by conceptually privileging the latter over the former (Sayer 2004). In response, there is
a need to recover a sense of power as capacity, alongside the concern with effects, focusing attention on the practical ‘entanglements’ of different forms of power (Sharp et al. 2000). A fruitful line of inquiry here may be to examine uneven flows of power within and between regions, raising the intriguing research question of the extent to which uneven flows of power become temporarily ‘congealed’ around particular regional organisations and interests.

Second, topological perspectives also seem to neglect the role of prior processes of historical sedimentation through which regions are constructed (MacLeod and Jones 2001, Paasi 1996). Fundamentally, relational perspectives underplay the weight of inherited forms of attachment and belonging, reflecting the theoretical and political agenda of developing a progressive sense of place which originally inspired them (Massey 1994). This point is also evident in relation to the territorial embeddedness of global justice networks in terms of how these are constructed out of temporally and spatially specific practices and resources (Cumbers et al. 2008).

We can only understand why some regions become sites for resistance and alternative political projects at a particular moment in time (e.g. Red Clydeside, Red Bologna or the Zapatistas in Chiapas) if we understand how they are constituted through past struggles and conflicts in uneven and variegated ways, endowing them with certain properties and identities (MacLeod and Jones 2001, Paasi 1996). Regions are, of course, subject to subsequent processes of transformation and ‘becoming’, but inherited attachments condition how these processes are played out.

Third, the undoubted appeal of relational approaches in liberating research from traditional conceptions of space and power is cast into sharp focus by the entrenched contours of uneven development under capitalism. To return to the fundamentals of Harvey’s original insights on the spatial fix (see Harvey 1982), spatial inequalities between cities and regions are the result of past and existing struggles whose objective is the possession of power and its operationalisation and reproduction in particular places (under capitalism surplus value is the dominant though not the only measure of economic power). Fundamentally, a political economy perspective emphasises the social and political processes surrounding the formation of the human landscape over time and the stubborn territorial ‘permanences’ that are constructed out of these processes (Harvey 1996). This raises important questions of agency – arguably underplayed in the writings of Harvey and other political economic theorists – concerning the social groups and interests that construct such permanences. While this is largely an empirical question, it directs attention towards the role of regional elites in regulating conflictual social relations through the mobilisation of distinctive ideological and political apparatuses (Lipietz 1994). Such ‘permanences’ are, of course, always temporary, being subject to transformation through social processes that are open, contested and contradictory, reflecting the dialectical tensions between fixity and mobility (Harvey 1982, 1996).

**Towards a ‘new’ regional political economy: evolution, power and institutions**

In this section, we aim to develop a more integrated approach which remains rooted in a historical-geographical political economy perspective while acknowledging the fluidity and relationality of power (Harvey 2006, Swyngedouw 1997). We favour a dialectical ontology which emphasises the role of class relations and struggles over value capture in driving processes of capital accumulation over time and across space (Harvey 1996). For capital, fixity is as important as mobility for particular periods so as to secure surplus value. For some local and regional actors, concerned with the promotion of sustainable economic development, efforts to capture a
share of value from increasingly globalised production networks in the face of competition from other regions (Coe et al. 2004, Smith et al. 2002) involve the exercising of particular forms of power.

Our ‘new’ political economy approach (see Goodwin 2004, Hudson 2006) is open to the intersections between the fluid and immanent properties of power and historically rooted and sedimented social relations. It is supported by a critical realist philosophy which contends that capitalist social relations and the creation of value have a real existence, although they are always known and represented through particular cultural and discursive formations (Bhaskar 1989). Such an approach emphasises the importance of regional diversity and variety within an uneven economic landscape, echoing the concerns of the neo-Marxist economic geography of the 1980s and early 1990s (see Massey 1995, Storper and Walker 1989).

In addition, our ‘new’ political economy approach adopts an evolutionary methodology, highlighting the role of history and more specifically, path dependency, in shaping contemporary patterns of regional development (MacKinnon et al. 2009, Pike et al. 2009). It conceptualises the evolution of the economic landscape in terms of the interaction between pre-existing regional variety and market-based selection mechanisms (MacKinnon et al. 2009). Institutions play a crucial role in mediating such interaction, resulting in path dependence and uneven development.

We view our evolutionary political economy perspective as offering an important corrective to the rather timeless purview of power and space apparent in relational thinking about regions which effectively erases prior processes of historical construction and sedimentation (Jones 2009). The importance of such processes is highlighted by the problems facing old industrial regions, where the legacy of past forms of specialisation and associated social and cultural practices can stymie attempts at economic modernisation and restructuring, developed in response to the meta-narratives of globalisation and competitiveness (Grabher 1993, Birch et al. 2009). Institutional legacies can, in this sense, exhibit powers of conditioning and constraint. As we have argued elsewhere (see MacKinnon et al. 2009), however, research must avoid the dangers of over-socialisation whereby specific ‘carriers of history’ (institutions, habits, technologies, firms) impart strong, self-reinforcing continuities which structure processes of regional economic evolution (Hudson 2005). In this respect, post-structuralist conceptions of power are particularly persuasive because of their emphasis on fluidity, openness and power as a process (Sharp et al. 2000). This helps to restore agency to regional actors operating in the context of certain pre-existing regional trajectories and practices.

Understanding the operation of regional power relations therefore requires a sense of regional evolution in the context of a broader landscape of uneven development, an awareness of institutional practices and the operation of the different modalities of power in and across specific regional spaces. Here, we turn to recent research into the economic geography of the life sciences industry by way of illustration (Birch and Cumbers 2009). This reveals a significant instance of ‘regional success’ in the development of a Scottish ‘life sciences’ cluster. Against a backdrop of industrial decline, over-dependence upon footloose foreign investment and an older (but still relevant) image of a branch plant economy, the life sciences cluster is significant as one of the few sectors to create professional and skilled employment and one that largely comprises small local knowledge-intensive firms (ibid.)

Understanding the cluster’s emergence requires an approach that is not only able to situate it within the historical trajectory of Scotland’s political economy and broader processes of uneven development, but is also alert to the operation of the different modalities of power set out above. In the first instance, a long tradition of bio-medical research in
Scottish universities, allied to public sector support for medical research dating back to the 1940s, were critical factors in the cluster’s initial emergence. While these regional and national institutional arrangements have been critical, the growth of the Scottish life sciences cluster has been facilitated by wider spatial networks from the outset. Of particular importance are the global knowledge communities within which Scottish scientists and academics operate, and a considerable Scottish scientific diaspora which is reproduced by flows of labour and knowledge of varying durations to and from ‘the region’.

The growth of the cluster in recent decades reflects the ability of Scottish actors to leverage power and capture value (in the form of new firm formation and employment) from networks controlled by large TNCs. This suggests the operation of fluid and dynamic power relations that provide opportunities for small and newer actors to reposition themselves within global production networks. In this case, Scottish life science success is explained by the particular positionality (see Sheppard 2002) of Scottish scientists and firms as originators of new products and intellectual property (particularly in the field of healthcare, diagnostics, agriculture and environmental services) in a sector that is heavily knowledge-dependent (Birch and Cumbers 2009).

Despite its success, the long-run evolution of the life sciences cluster still has to confront the asymmetrical power relations in which it is embedded. The major players and final customers of the Scottish life sciences sector are European (predominantly Swiss) and US pharmaceutical multinationals which play a key role in coordinating and controlling production networks. A key constraint on the cluster is the limited availability of finance (particularly venture capital) for firm growth (compared to the South East of England), and its attendant inability to foster larger ‘lead’ firms capable of playing a more strategic role within the global life sciences network (ibid.).

A final piece of the political-institutional jigsaw is the compelling evidence that Scottish enterprise has ‘learnt’ from earlier mistakes in its approach to regional development policy over a period of three decades of policy experimentation, avoiding ‘cognitive lock-in’ (Grabher 1993). This is apparent in its support for local indigenous enterprise and its provision of longer term support for innovation within the life sciences cluster. The evolution of this policy at the Scottish level has been based on sustained collaboration between key actors in government, universities and the business sector, facilitated by a shared commitment to the prosperity of Scotland as a pre-defined regional space (MacLeod 1998), and drawing upon the institutional memory of past successes and failures in economic development policy. In this sense, the development of a life sciences cluster can be seen as an ‘effect’ of innovation and the construction of relationships between government agencies, researchers and entrepreneurs. At the same time, however, power is also ‘centred’, congealing around key organisations and individuals, granting them a limited capacity to shape the evolution of the cluster within global production networks controlled by TNCs based elsewhere.

Conclusions

As we argued in the introduction to this chapter, regional studies and economic geography have tended to lag behind other parts of the social sciences and humanities in their engagement with post-structuralist conceptions of power. The prevailing conception of power in local and regional development studies is the associational sense of power as a collective capacity generated in the pursuit of a shared agenda. By contrast, post-structuralist theories view power as a fluid and mobile medium, informed particularly by Foucault’s ‘capillary’ approach. Drawing upon these ideas, Allen (2003) defines power as a relational effect of social interaction, distinguishing
between the possession of power and the actual exercising or activation of this power in particular contexts. In response, we argued that power can be both a capacity and effect, raising questions about the practical entanglement of different forms of power (Sharp et al. 2000). Relational approaches to regional development also tend to neglect the prior processes of historical construction and sedimentation through which regions are constructed. Finally, there is a need to relate flows of power to processes of uneven development and the creation of spatial ‘fixes’ and ‘permanences’ (Harvey 1982, 1996).

Our interest in the development of a ‘new’ political economy approach is informed by these criticisms of relational accounts of space and power. This approach is concerned with capitalist social relations, value creation and uneven development while remaining open to post-structuralist insights regarding the fluid and immanent properties of power. We adopt an evolutionary methodology, viewing uneven development as the product of an institutionally mediated process of interaction between pre-existing regional variety and market-based selection mechanisms (MacKinnon et al. 2009). While institutional legacies exhibit powers of conditioning and constraint, accounts of local and regional ‘path dependency’ must avoid an over-socialised approach whereby past practices are seen to almost determine future choices. In this context, post-structuralist conceptions of power relations as open and fluid can make an important contribution by restoring agency to regional actors. Indeed, we would argue that research on the practical entanglements of power in processes of local and regional development should examine the processes of ‘fixing’ by which particular actors and interests seek to stabilise and freeze fluid power relations in order to generate and capture value within global production networks. As our example of the Scottish biotechnology industry indicates, the exercise of purposive agency for development is often a product of such ‘fixing’ processes with economic development strategies emerging out of efforts by regional elites to fit wider narratives such as the knowledge economy to the perceived needs of regional economies. In principle, our ‘new’ political economy approach is applicable to regional economic development in both the Global North and South, emphasising the interaction between local and regional conditions and wider processes of uneven development.

References

Review of International Political Economy 4, 349–381.


Further reading

**Traditional approaches to power in regional development**


**On ‘Spatial vocabularies of power’**


**On a ‘new regional political economy’**