

TERRITORY AND LOCAL DEVELOPMENT: A PLACE-BASED PERSPECTIVE

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Introduction

The last thirty years have been a period of great economic change. The globalization of production, the continuous flow of new technologies, and cycles of boom and bust, have combined to create complex challenges for citizens, communities, and governments alike. On the one hand, the premium placed on creativity and innovation in the knowledge-based economy offers tremendous rewards to those who develop and apply the best ideas. On the other hand, these same dynamics leave many more people and places struggling to find their way without resources or opportunity. In countries around the world globalization delivers a double-edged reality as innovation and exclusion both shape contemporary restructuring processes.

Early observers of economic globalization predicted the “death of distance” and the “end of geography”, announcing a new age of hyper mobility and cyberspace communities. It turns out that these expectations were off the mark. Researchers from a variety of social science fields report that today’s change drivers and adaptive strategies play out in territorially specific ways, shaped by unique local constellations of assets, knowledge, networks, and identities (Bradford, 2011). Attention shifts from abstract accounts of globalization to the concrete ‘local places and territorial spaces’ where the flows and forces of change intersect. Cities and communities are globalization’s front-lines. They are where the problems converge, and the opportunities for adapting are greatest.

This discussion paper offers a *place-based development perspective* to analyze the social and solidarity economy as an innovative and inclusive response to contemporary globalization. Situating the movement in the context of three major research traditions – economic geography, community development, and new public governance – the discussion paper explores links between models of empowered governance and a reform policy agenda. In the past decade or so, key elements of this agenda have been taken up by governments around the world and we close by highlighting key challenges advancing the social and solidarity economy.

Conceptual framework: the new localism and place-based development

The “New Localism” is a term that now resonates across a multi-disciplinary scholarly literature analyzing how globalization’s most important flows of people, investment, and ideas intersect in

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cities and communities around the world (Gertler, 2001). The research underpinning the new localism identifies five defining features of the contemporary political economy.

- *Wicked problems*: Many of today's most urgent socio-economic problems such as poverty reduction, social inclusion, and ecological sustainability are complex and interrelated. Identifying the primary triggers or determining cause and effect relations is difficult. Wicked problems are characterized by critical information gaps about what is required to help and pose significant coordination challenges in delivering the appropriate resources to the right target.
- *No one-size-fits-all solution*: Problems find specific expression in different territorial spaces related to local and regional histories, cultures, and institutions. The challenge is to find the appropriate levers or points of intervention to tackle the particular circumstances 'on the ground'. Communities will identify solutions through their own contextual knowledge of problems and collective aspirations for the future.
- *Context Matters*: Features of the "local milieu" shape problems and condition reform strategies. For example, in social inclusion, studies of "neighbourhood effects" demonstrate how local communities – their social services, employment networks, and physical design – impact life chances. Similarly, studies of economic development demonstrate how innovation depends on local knowledge networks.
- *Blended Knowledge*: Diverse forms of knowledge can be combined for holistic development strategies. These include codified or technical 'know what' that describes the scope and scale of the problem *and* more tacit or experiential 'know how' that maps community-based pathways forward.
- *Collaborative Engagement*: Given the complexity of issues, collaboration is imperative. No single actor has the knowledge, authority, or resources to act alone or unilaterally. Policy frameworks for joint action and shared responsibility must be developed that include local citizens and civil society organizations.

These five features – all emphasizing complexity and interdependence -- expose the gaps and limitations in traditional government structures and policy processes. Networked relations among public, private, and civil society actors constitute an adaptive and localized socio-economic infrastructure for *place-based development strategies* that envision local actors not as 'passive policy takers' but as strategic agents capable of working collectively to mediate and transform global flows for collective purposes. The core components are captured in the recent report *The Future of Cohesion Policy in the European Union* (Barca, 2009). Place-based development involves:

- a long-term development strategy to reduce persistent *inefficiency* (underutilization of the full potential) and *inequality* (share of people below a given standard of well-being and/or extent of interpersonal disparities) in specific places;

- producing bundles of *integrated*, community-tailored *public goods and services*, designed and implemented by aggregating local preferences and knowledge through *participatory political institutions*, and by establishing linkages with other places;
- engaging a system of *multilevel governance* where universally available grants, designed to promote stable development between localities, are transferred from higher to lower levels of government to guard against territorial inequality while allowing for local discretion in priority activities.

As Barca's third point makes clear, place-based development interprets the local level "in an institutionally and spatially embedded way" (Moulaert, et al., 2005: 1978). Many local challenges stem from the dynamics of the global economy and the decisions made by upper level governments. Such external factors always structure local trajectories. In place-based development, the 'local' is neither a self-contained area nor a homogenous community. Rather it is a distinctive place within wider institutional relations, shaped by community interactions with extra-local political and economic forces.

As such, the place-based perspective offers a dynamic "inter-scalar" analysis of local and territorial change. It explores relations among actors from civil society, the state, and the market in constructing new governance systems and development strategies. The focus shifts from power dichotomies of centralization and decentralization to negotiated compromises between the principles of conditionality and subsidiarity. Place-based development relies on smart and well-resourced intermediary institutions to bridge long-standing divides between government and civil society: local pressures for experimentation *and* national policies for cohesion; the state's technical/codified knowledge *and* the community's experiential/tacit knowledge; and the state's emphasis on representative democracy *and* the community's desire for participatory democracy.

In practice, place-based development involves three central processes: first, *embedding wealth creation* locally in social relations and institutional networks; second, *mobilizing community assets* to challenge externally imposed narratives of dislocation and decline; third, *restructuring the state* to recognize and empower local civil societies and scale-up community-driven social innovations. Each of these dimensions of the place-based approach to local and territorial development has been well- researched in major social science traditions.

The next section reviews three strategic bodies of knowledge, identifying important links to the social and solidarity economy.

Knowledge inventory: three research traditions in territory and local development

Economic Geography: Embedded Economy and Learning Networks

Economic geographers study local and territorial development in the context of today's knowledge-driven global economy (Amin, 1999). Their research describes fundamental economic changes that make local places more important as sites of production even as globalization accelerates. Most importantly, economic geographers emphasize the role of ideas in generating economic value. They explore how the social cohesion and resilience of territorial

economies depend on their collective capacity for innovation – the generation and application of knowledge for wealth creation that builds and renews local niches in the wider national and global contexts. It follows that economic development is not the byproduct of a ‘free floating market’ but rather the result of organized social learning among producers and users of knowledge who cluster geographically to build distinctive territorial assets.

Such localized innovation drives “endogenous economic development” (Pike, et al. 2006). The emphasis shifts from short term cost considerations to the longer term, collective investments in the *relational assets of development* such as social capital, knowledge networks, and face-to-face dialogue about shared needs. Local economic actors – firms, enterprises, workers, governments, researchers, unions – all work in a system of social interaction and institutional learning. Economic geographers show how production can be anchored ‘in place’ through research consortia, supply chain nodes, local talent pools, and supportive intermediary institutions. Such networked relations circulate knowledge and pool the resources to balance economic, social, and ecological priorities.

Each of these characteristics of the knowledge-based economy emphasizes the territorial dimension of innovation, and the importance of localized learning. It follows that economic geographers now identify *resilient urban communities* as the economic engines of nations and foundations for social cohesion. The scope, scale, and velocity of interaction among people and organizations in cities creates unparalleled “opportunity for knowledge spillovers across economic sectors [that] enhances the potential for innovation and the generation of new economic ideas among local firms” (Wolfe, 2009:17). At the same time, the “place-based approach facilitates the identification and re-conceptualization of rural assets in new and innovative ways” (Reimer and Markey, 2008: 8). Recent research mapping the “creative rural economy” demonstrates the potential for revitalization through leveraging the unique quality of place and lifestyle amenities in non-metropolitan areas. In sum, economic geographers show that resilient communities, whether urban or rural, are distinguished by their “innovative local milieu” forged through the combined efforts of community, economic, and state actors. Local and regional *innovation systems* identify local assets (human, social, financial, natural, and cultural capitals) and leverage them through external resources (policies, services, investments) for comprehensive territorial development strategies.

Importantly, economic geography research now calls for *socially sustainable development*, challenging traditional forms of local and regional development as narrowly preoccupied with economic growth ‘at all costs’. Especially in the wake of the 2009 Great Recession, more holistic visions emphasize quality of life metrics such as decent jobs for all and ecologically sustainable production. It is time “to unpick dominant ideas of local and regional development and reveal the relations between broader notions of economic, social, political, ecological and cultural development [otherwise] more balanced, cohesive and sustainable development of localities may remain out of our reach” (Pike et al. 2006: 256).

The second major research tradition in local and territorial development takes up this challenge, focusing on ideas about community and social sustainability.

Community Development: Asset Building and Civic Engagement

Research in the community development tradition views community as the physical and social space that shapes how people live and work (Torjman, 2007). The relevant scale of action varies depending on the particular issue in focus, ranging from the neighbourhood, to the city, or rural region. Regardless of the scale, the concern in community development action-research is to expand access to quality services and decent jobs for population groups excluded or marginalized from opportunity, whether by income, race, disability, age, or gender.

The interest in community derives from the recognition that the “quality of place” directly affects the well-being and success of disadvantaged population groups. Much of the analysis of new forms of spatially concentrated poverty adopts the same territorial lens that highlights the localizing dynamics of economic innovation. Here, researchers document negative “neighbourhood effects” – poor services, few contacts, exposure to crime and so forth – that compound the constraints on people already in difficulty as barriers in one aspect of life become entangled with others (Dunn et al., 2010). For example, a training program to help social assistance recipients move into employment won’t succeed if prospective workers can’t access affordable child care or transit. By contrast, local places rich in social networks and community infrastructure have a positive impact on individual and family health and well-being. Such communities recognize that human needs are not compartmentalized and pursue coordination and collaboration.

Research from both front line practitioners and scholars has identified key components of robust community development strategies. The departure point is to reframe the issues by envisioning social inclusion as both ‘an end and a means’ to development. Social inclusion as an end state seeks opportunity for all citizens to participate to their full potential in the economy and community. Rather than assessing people and places in terms of their problems or needs, emerging approaches start with their assets, harnessing local capacities and strengths. A new role in the knowledge economy, for example, might arise through a mix of community-driven strategies for social enterprise, environmental stewardship, and business mentorship. As a means, then, the inclusive approach to community development values a process of empowerment through grass-roots participation. Investments are required in the local infrastructure of civil society organizations and non-profit intermediaries which provide collective direction, and also in the civic literacy of residents. Local governance bodies align the different resources, making “a deliberate and conscious effort to capture the diversity of the community in both demographic profile and composition by sector.” (Torjman, 2007 :41).

Community development action-research maps a compelling local pathway beyond social exclusion. However, there are challenges, notably in the movement’s relationship to the state (Guy and Henenberry, 2010). On the one hand, public funding to community organizations is increasingly project based, with onerous reporting requirements. On the other hand, government policies often work at cross-purposes and rarely demonstrate the longer term orientation required for inclusive territorial development. These challenges are significant because community development in no way minimizes the need for a solid core of public goods and services. The third research tradition in local and territorial development explores these state and public policy challenges.

New Public Governance: State Restructuring and Policy Innovation

The New Public Governance is an emerging policy research perspective that acknowledges wicked problems and recognizes the need for local and territorial strategies (Osborne, 2009). Unlike the New Public Management, researchers advancing the New Public Governance stress the importance of collaborative relations and the government's pivotal role in supporting social innovation. The New Public Governance seeks both new public policy ideas and reformed relations between state and civil society. Three themes are central:

Coordinated Government: Horizontal integration of government Departments and Ministries to enable focused and holistic problem-solving. Policy leadership is housed through a central agency or secretariat with a cross-cutting mandate to coordinate 'whole of government' approaches.

Civil Society Empowerment: Government policy relationships with civil society actors are based on principles of co-construction. Co-construction involves setting the general directions for public policy and key design features in terms of instruments and tools, and then jointly implementing programs and services. The result is a substantive democratization of state decision making and public policy. The relationship is not the usual one-off consultation or testing of public opinion but an institutionalized dialogue between representative and participatory forms of democracy.

Multi-level Collaborative Governance: Institutionalized collaboration works both vertically across levels of government, and horizontally among public, private, and community sectors at the local and territorial scale. Collaboration is structured through framework agreements that specify roles and responsibilities in problem-solving networks or strategic partnerships.

With these three themes, the New Public Governance explores how coordination, empowerment, and collaboration can work. Here the ideas and strategies proposed by Archon Fung and Erik Olin Wright are path breaking (Fung and Wright, 2003). Committed to democratic governance and social justice, they detail the operative principles and institutional design for "empowered participatory governance". Based on research from around the world in matters ranging from municipal budgeting to ecological preservation, Fung and Wright describe the growing number of intermediary governance spaces generating innovative local and territorial development. They identify a series of interrelated action principles and design features:

Empowered Participatory Governance: Action Principles

Practical Orientation: Focus on specific concrete problems that lend themselves to immediate practical action rather than broad ideological debate. The benefits are two-fold: building trust across sectors and gathering momentum through a results-orientation.

Bottom-up Participation: Involving local residents living with complex, evolving problems is critical. Their experiential knowledge, combined with the practical insights of front-line government officials, is required for comprehensive territorial strategies.

Deliberative Solution Generation: Given the range of actors and perspectives engaged, deliberative approaches enable participants to develop a shared agenda. Through face to face dialogue, different actors can acknowledge conflict but find reasonable compromises. Learning from one another and foregrounding the community interest, groups can move forward together.

Countervailing Power: Power relations cannot be overlooked and steps must be taken to ensure that inequalities do not subvert the democracy-enhancing potential of institutionalized collaboration. In addressing the wider social and political conditions, the state and governing political parties play key roles in leveling the deliberative field. Government's regulations can prevent more powerful groups from exiting the dialogue, as can investments in the capacity of civil society organizations.

While the merits of these principles for democracy and justice are self-evident, Fung and Wright go further. They ground the discussion in the real world of government-civil society interactions. As they observe, realizing the benefits requires conscious institutional design "to stabilize and deepen the practice of these basic principles" (Fung and Wright, 2003:15). They propose three design features.

Empowered Participatory Governance: Design Features

Devolution: Decision-making authority flows downward and outward to local and regional bodies joining state and civil society actors. Such bodies are not simply advisory but empowered by the state to help devise, implement, and monitor plans. Along with authority, appropriate resources are also transferred, guarding against government off-loading or downloading of responsibilities.

Centralized Coordination: To avoid the dangers of excessive decentralization (for example, a race to the bottom investment competition between localities), Fung and Wright propose two specific forms of inter-scalar coordination. First, consistent with the emphasis on local accountability, upper level governments ensure equitable policy resources across territorial sites and address problems beyond the reach of local actors on their own to solve. Second, the extra-local officials create linkages that connect the decentralized units to each other, enabling exchange of knowledge and experiences.

State Orchestrated: Retaining a substantive role for government in public policy making, the model clearly rejects the privatization and deregulation of the New Public Management. Government must accept its responsibilities for investments and regulation in the public or community interest. However, a restructured state, with new principles, practices, and spaces, empowers citizens and movements for policy co-construction. Civil society transforms state structures and processes rather than simply lobbying or applying pressure from the outside.

In sum, Fung and Wright's framework is compelling because they translate the vision and ideals of the New Public Governance into concrete institutional reforms, using a range of case examples to illustrate the operational principles and practices. In linking theory and action, their concept of empowered participatory governance represents a *social innovation* in revitalizing the fundamental values of participatory democracy, social justice, and the inclusive economy.

Moreover, empowered participatory governance improves public policy – enabling knowledge flows, reducing transaction costs, securing public buy-in, and assisting with performance monitoring and course correction.

Research Links to the Social and Solidarity Economy

Each of the three major place-based development research traditions speaks directly to the dynamics of the social and solidarity economy. The common emphasis is on local and regional spaces as sites of social learning, trust building, and institutional innovation. Within these geographic spaces, community assets are leveraged through intermediaries in the form of new partnerships and governance networks that engage citizens, connect enterprises, and supply a social infrastructure for provision of goods, services, and opportunities in the public interest. A key challenge is to ensure that upper level governments do their part to enable and consolidate the local innovations.

The next section of the Discussion Paper explores such place-based development in the public policy context of the social and solidarity economy.

Place-based development for the social and solidarity economy: creative tensions and moving forward

As described above, the last several decades have seen national, regional and local economies buffeted by a series of global shocks, culminating in the Great Recession of 2009. Over time, these shocks and subsequent restructurings have exposed the limits of traditional state and market strategies. Against this backdrop, the social and solidarity economy movement has gathered momentum around the world to meet societal needs for decent work, sustainable production, and better social services. In many countries it is becoming an integral part of local and regional development strategies (Tremblay, 2009).

The social and solidarity economy's non-profit and cooperative enterprises are rooted in community, independent from the state and democratically organized to produce goods and services that address social well-being, environmental sustainability, and cultural inclusion. Capital and finance are instruments of human and community development not private profit. Much more than a series of individual enterprises or investment vehicles, the social and solidarity economy is a grass-roots movement with a vision of a pluralist economy that encompasses complementary roles for public, private, and collective enterprise. Many governments today at all levels from the local to the supranational are recognizing the social and solidarity economy as integral to the achievement of quality public policy and resilient communities.

As the social and solidarity economy grows it is crucial to heed warnings that it represents a “subtle abandonment of the universal welfare state under the guise of partnership, efficiency of service delivery, and local targeting” offering a “poor form of welfare for the poor” (Amin et al., 2002: 123). This view positions the social and solidarity economy instrumentally, struggling to fill gaps left by neo-liberalism's structural unemployment in the market and the post-Keynesian state's withdrawal from its social responsibilities. Progressive ideas about devolution and

empowerment are co-opted to serve the purposes of the conservative management doctrines that diminish government through contracting- out, privatization, and downloading.

This critique is important. It stands as a reminder of the need to set out clear principles for the social and solidarity economy, and to mobilize locally, nationally, and globally for progressive governance. Fung and Wright's empowered participatory governance offers such a framework. It envisions a robust architecture for deliberative and developmental dynamics, creating the hybrid policy spaces required for learning about how best to tackle wicked problems, to forge cross-sectoral agreement, and to deliver long term solutions that revitalize communities. Applied to the social and solidarity economy, five specific, mutually reinforcing policy pathways can be identified (Tremblay 2009).

First, *formal recognition* by government of the social and solidarity economy helps ensure that public policy will mobilize and align resources for a comprehensive strategy for local territorial development. The social and solidarity economy is treated as a viable sector and autonomous movement, neither a by-product of the private sector or an extension of the public sector. Such recognition is crucial for policy co-construction and can take the form of constitutional rights or policy and legislative frameworks that provide explicit ongoing support.

Second, *sectoral interventions* give preference to the social and solidarity economy in implementation of certain areas of public policy, and also build the capacity of social enterprises providing goods and services. Leading sectors where non-profit providers can be favoured include family policy for childcare or home care and social housing with co-operatives. Sector-based capacity building takes various forms: financial instruments such as patient capital funds or fiscal incentives for investors; adapting traditional supports for small and medium sized businesses to take into account the specificities of the mission, management, and legal structures of social economy enterprises; and facilitating human resources and skills development both within social enterprises and across intermediary organizations that bridge civil society and government.

Third, *targeted interventions* provide marginalized groups access to jobs and services. Certain population groups, such as the disabled, recent immigrants, indigenous peoples, and at risk youth, remain most at risk to unemployment and social exclusion. In partnership with social and solidarity economy actors, governments can increase the economic participation and social well-being of these citizens with targeted assistance using a variety of tools: procurement through social purchasing principles; wage subsidies; regulating equitable representation in occupational categories; investment in enterprises that are owned or managed by disadvantaged population groups; and investment in frontline services to ensure that vulnerable groups have full awareness of, and access to, health, education, housing, and income support.

Fourth, *appropriate evaluation* captures the unique character and value of the social and solidarity economy. The complexity of today's policy challenges require not only new governance mechanisms but also new performance measures attuned to processes of co-construction and co-production. Social and solidarity economy actors are working creatively to produce goods and services that meet community needs in socially sustainable ways. This mission challenges existing public value criteria. It demands new indicators to track

contributions from social enterprises such as democratization, empowerment, and the development of inclusive economies and resilient communities. *Social accounting* integrates triple bottom line criteria, paying attention to the relationships that join economic, social, and environmental priorities. *Developmental evaluation* emphasizes qualitative evidence of change, capturing “resident wisdom behind the numbers” through personal reflection and narrative accounts of social learning (Torjman, 2007). *Learning-oriented evaluation* shifts the focus from external after-the-fact judgments of success or failure toward ongoing practitioner insights and adaptation in complex problem-solving environments. Taken together, these new evaluation frameworks constitute important parts of a robust public policy infrastructure. They value organizational innovations such as multi-sectoral collaboration and institutional intermediaries. They recognize the time required for durable change.

Fifth, a *place-based development strategy* supplies the overarching framework, using local geographical spaces to integrate the horizontal, sectoral, targeted, and evaluative components. The place-based framework ensures that the various tools and interventions do not remain ‘one offs’, filling certain gaps but not leveraging assets and capacities for comprehensive and sustainable development. It connects the different actors and their particular contributions: community-based networks with local knowledge and state officials with authority and resources; suppliers of social and solidarity economy supports with the evolving needs of social enterprises and service providers; and local and territorial experiments to learning processes and sources of expertise at broader geographic scales.

Overall, this set of governance reforms and policy practices puts the social and solidarity economy at the leading edge of *transformative change* for a more just society and sustainable, inclusive economy. The vision of community is compelling but also challenging. Further progress depends on attitudinal and organizational change from the key actors in government and civil society.

Government Challenges:

Place-based development strategies for co-construction of public policy can improve government policy performance (Osborne, 2009). Gaps between policy design and implementation can be closed, and working with and through community-based intermediaries can enhance government legitimacy and strengthen social cohesion. As governments seek to demonstrate public value in the global age these benefits are significant. However, substantive challenges remain :

1. Silo Mentality: turf protection’ between bureaucratic departments and across political jurisdictions
2. Command and Control: decision-making styles that are hierarchical, centralized, and risk adverse; confining interactions with civil society organizations to ritualistic consultations on set directions rather than co-construction
3. Short-Term Perspectives: insufficient investment of time and resources for durable change through networked relations and institutional capacity-building

4. Managerial Evaluation: preoccupation with departmental inputs and outputs rather than community outcomes; preference for project-based funding through highly prescriptive service delivery contracts; evaluation ill-suited to complex innovations with triple bottom line criteria

These features of government thinking and practice are barriers to effective devolution, partnership, and facilitation for the social and solidarity economy (Guy and Heneberry, 2010). They are rooted in prevailing systems of ministerial responsibility and public management that have long limited innovation and flexibility. Moreover, experience shows that in countries where innovation has flourished, shifting electoral winds can suddenly end the experimentation and learning when unsympathetic or uncomprehending political parties arrive in power.

Government actors at all levels need to learn more about local and territorial development, and build their collective capacity for devolving, partnering, and facilitating. Policy designers need to practice co-construction and front line providers need to pursue implementation partnerships. In both organizational contexts, public servants must value the assets and knowledge of local networks and residents. Governments must engage with civil society organizations in joint policy learning through community action-research; support education and training for civil servants in new skill sets and policy tools; and test innovative evaluation frameworks that capture the value over the longer term of investments in organizational infrastructure, policy collaboration, and citizen empowerment.

Civil Society Challenges

Just as governments must adjust and adapt, civil society organizations face certain organizational and strategic challenges. These include:

1. From Opposition to Proposition: shifting from adversarial relations with government and relying on ideological critique to collaborative policy development and joint problem solving
2. Capacity-building: different mobilization strategies, knowledge sets, and organizational competencies are required for effective participation in shared governance; building organizational capacity that balances representation and advocacy with policy responsibilities is needed
3. Policy Intermediary: working the space between the state, community, and economy, negotiating with governments on appropriate policy frameworks and tools, and building a strategic relationship with governments that advances a longer term, broadly based social and solidarity economy movement
4. Broad Representation: the social and solidarity economy constituency is diverse and representative organizations need inclusion of both geographically-based community networks and sector-specific organizations; an umbrella association or stakeholder consortium must combine broad coverage of movement priorities with effective policy communication with government actors

Civil society actors in the social and solidarity economy face ongoing challenges in building their governance and policy capacity. Indeed, these challenges are made more difficult in the current environment when governments are often reluctant to recognize the social and solidarity economy, invest in the infrastructure for collaborative relationships, and deploy the tools required to build capacity. Where governments rely on project-based support to civil society organizations and focus on short term input and output measures, the structural barriers to empowered participatory governance remain daunting. For civil society organizations, sustained political advocacy remains the essential counterpart to policy co-construction.

Conclusion

This discussion paper has offered a place-based development perspective to situate the social and solidarity economy as an innovative and inclusive response to the challenges and opportunities posed by globalization. Building on major economic, social, and political research traditions, we developed an action-oriented policy and governance framework for embedding the economy in local communities. In the past decade or so, this agenda has gathered momentum in countries around the world. Too often, however, the pace and nature of change has been incremental rather than comprehensive, leaving the full potential of the social and solidarity economy untapped. Further progress now depends on a commitment to transformative change from all partners. In particular, governments must strengthen their capacity for deep engagement with communities in creating local economies that meet social needs and extend opportunity to all.

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