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## Responding to the geography of discontent

Andrés Rodríguez-Pose, Professor of Regional Planning at the London School of Economics (LSE), has recently contributed to the public debate on the connection between populism and regions (Rodríguez-Pose, 2018). His studies show a strong correlation between electoral behaviour and the economic development of territories in Europe. According to his analysis, extremist parties achieve particularly high election results in places left behind. He interprets such an election outcome as a protest by a population seeing itself as a loser of globalisation and technological development.

We can confirm his findings using the example of a comparative study of two German regions (Harmes-Liedtke & Wältring, 2018): Lausitz, in the east of the

country, is currently going through structural change in the wake of the cessation of lignite mining. This region experienced radical structural change in the course of reunification in the 1990s and is now facing a new and profound socioeconomic transformation. The current situation is characterised by job losses, emigration and a general fear of the future. In Lausitz, right-wing political parties achieve the highest results. By contrast, Münsterland, an economically strong rural region in West Germany, successfully mastered the structural change of the 1980s. Today the city of Münster can be considered a success model of a prospering service centre and a university city. Here extremist parties are inconsequential.

The “geography of discontent” can be also observed in the USA (Hendrickson, Muro & Galston, 2018). The 2016 presidential election revealed an extremely strong divide between thriving metropolitan regions and places that had been left behind in a changing economy. Growing territorial disparities are closely related to the globalisation and deregulation of recent decades. Metropolises benefit



from this trend, as they offer particularly good conditions for investment and innovation. They attract the “creative class”, whereas the peripheral regions suffer from a brain drain (Florida, 2017). The consequences are unemployment, income losses and frustration in remote areas, which can easily be abused politically.

In developing countries, the problem of regions that are left behind is also known, but manifests less in election results. Mobile and flexible citizens migrate to larger cities or even abroad. The voices of those who remain are mostly unheard. This is particularly true in areas where the state has lost control, such as the guerrilla and paramilitary-dominated areas of Colombia or the Boko Haram sphere of influence in north-eastern Nigeria. But even in less violent contexts, the question of regional development remains unanswered. Despite different realities, the structural problems in regions left behind are quite similar in developing and industrialised countries.

The neo-liberal answer to these problems is “place-neutral policies”, that is trusting the mechanisms of

the market. This approach offers migration to urban agglomerations as the obvious solution. But this creates new problems in reality, because the less mobile population remains behind in the peripheral areas. A “place-neutral policy” leads to exponential growth of megacities and significant territorial imbalances and will be unsustainable in the long run. At the same time, rural areas offer natural beauty and small community attraction that provide economic opportunities as well.

But also the opposite “place-based policy” strategy, which aims for equity and regional redistribution, has not been able to overcome the backwardness and discontent of peripheral areas in the past. Neither the Mezzogiorno policy in Italy nor the “joint programme for improving regional economic structures” (Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur, GRW) in Germany or comparable policies in other EU countries were able to ensure even living conditions. Even European structural policy failed to achieve regional cohesion.



As a third way, regional researchers propose “place-sensitive distributed development policies” (Iammarino, Rodríguez-Pose & Storper, 2018). This approach goes beyond the divide between “place neutral” and “place based”. “It is place sensitive, rather than place based, in the sense that the specific starting point and mix of instruments needed to distribute development will be different for each group of economies” (Iammarino, Rodríguez-Pose & Storper, 2018).

These policies must be geared more closely to the specific situation and opportunities of the various types of region. In low-income regions, the main objective is to retain young people and top performers, whereas in traditional industrial regions structural change towards new economic sectors and skills needs to be accelerated (see also Article 10, *Responding to technological change by promoting learning and skills upgrading in the economy*). In emergent regions the aim is to consolidate the positive development trend by expanding the institutions. Even prospering areas will remain open to change in order to be able to adapt to new developments.

Apart from the above reflections, the question of what the geography of discontent means for practical work in local and regional economic development (LRED) remains. There are three relevant answers:

- 1. There is a need for the adaptation of LRED instruments** for marginalised regions. The geography of discontent demonstrates that traditional LRED instruments miss achieving inclusiveness and trickle-down effects. It requires an adaptation of LRED instruments for specific target groups. Here important considerations are entrepreneurship, employability skills, an increase of knowledge-intensive fields of work and applied innovation promotion.
- 2. New ways of combining relevant knowledge.** In regions with long-declining development paths, LRED needs to be supplemented by psychological work, utilising outside ideas, and the creation of social, ecological or cultural innovation networks.
- 3. Integrating public debate and social approaches in LRED.** Apart from targeting enterprises, LRED is also about creating a communicative living environment in which the community gets into contact, develops a culture of discussion and feels integrated into the development process of their locality.

In summary, place-sensitive policies and innovative LRED activities will raise opportunities for all types of regions and help structurally weak regions to utilise their full potential. Key fields of intervention are regionalised education and labour market policies. In addition, strengthening local



institutions and governance is seen as particularly important. It is crucial to upgrade infrastructure within and between structurally weak areas. The aim is to optimally adapt the mix of instruments to the unique features of each region. If successful, such policies can lead to a large number of competitive regions which overcome regional imbalances and enable inclusive and sustainable development.

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