

Report on the Regions in Recovery e-Festival 2022. Thinking over the keyboard: a policy-maker's view of an online conference on Regions in Recovery



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American traditional conventions used to last for about a week gathering thousands of individuals in face-to-face (F2F) meetings. However the idea of organising an entirely online conference lasting for a full two (2) weeks was by all considerations a daring idea. I had doubts in 2021 but the first edition of the RSA Global e-Festival 'Regions in Recovery' was a huge success. So when the second edition came in, I did not hesitate and register. And it was not a passive registration either, since I even co-organised with my colleagues of the Friends of Smart Specialisation (a Brussels expert group) a special session, SS14. Top-down sectoral meets a bottom-up place-based perspective: love at first sight or a marriage of convenience?.

The title of the conference (*Regions in Recovery Second Edition 2022 - Re-imagining Regions*) might look general and all-encompassing, but beyond being an inclusive event, this proved a thorough, incisive and thoughtful intellectual exercise. Centred on regional scientists and academics, the conference also attracted policy-makers and policy-shapers of all levels, leading to great debates that I am afraid could only be made online. This is a crucial point that has not to be neglected in the future as everybody takes a blind dive in the so-called 'post-pandemic' era. As I started my Commission career in the IT research sector I had been dreaming for such events as of the early nineties, and I was finally not very wrong in terms of their productivity. But time will tell.

I would not dare writing an exhaustive report on the main findings of the conference, but I would rather say it offered a huge consolidation of what I knew already or of what I thought I knew about the State of the Regions in the EU and far beyond. Persisting inequalities amongst EU regions were again confirmed by the 8th edition of the Cohesion Report that also stressed the growing innovation divide, a demographic structure dominated by an aging population, a growing rural discontent with threatening political impact across the continent, persistent low quality of governance and the threat of continuing silo (often place-agnostic) policies that risk to hamper the Union's march towards the green and digital transition and erect barriers to relevant public and private investment for these goals.

Today regions are torn out in their effort on the one hand to adopt a sustainability course, decarbonizing their industry or agriculture while at the same time thriving on innovation that is not always reminiscent of Silicon Valley models (*Dan Breznitz*). One of the major difficulties for doing this is to identify their change agents that could be delivering on the new goals, while keeping the transition under a fair context. For this to happen, quadruple helix constellations (involving universities, industry, government and civil society organisations) are key. Universities in particular have a particular role devising an original regional engagement (*Pinheiro, Nordstand Berg, Iakovleva, Thomas, and Benneworth*), striking a balance between their drive for excellence and a mission on engaging with their local communities. However charting a path to innovation is a complex process depending a lot on strategies of local firms, their diversification and branching (*Jason Deegan*). The behaviour of firms, their resistance and adaptation capabilities to technological change have largely defined the fate of many regions,

now branded as 'left behind places' where the role of critical events and self-reinforcing processes seems determinant (*Pinoncelly*). Activating change agents, especially in old industrial regions (*Pisa, Hruska*) proves hard, a process that can possibly be improved through efforts of the public sector, or through more global planning strategies like 'balance metropolises' (*Pinoncelly*).

The way innovation is driving regions is contested: from traditional high-tech agents and the culture of start-ups to a more conventional '*economic gardening*' theory, regions are experimenting in a context of evolving globalisation: the attention of policy makers is drawn to four (4) basic fundamentals: (a) the flows of global-local knowledge (b) the interplay between public and semi-public goods (c) the local firms ecosystem (d) the co-evolution of public policy principles (*Dan Breznitz*). The systemic role of creative industries for innovation is increasingly recognised (*Lee*) but the need for broader metrics too (*Castaldi*). Digitalisation trends while important for reinforcing innovative capacity, present risks for left behind places as they create disruptive change to which such regions have difficulties to respond or adapt on time (*Mesquita, Fernandes*).

Regions evolve today in a disrupted geopolitical environment, where the reconfiguration of capital streams and new value chains create uncertainty and disorientation. The closing plenary focused on the return of the state capitalism (*Alami and Dixon, Lobao, Fan Lim*). At the start of the 21st century, state capitalism looks like making a big comeback, however we need still to decipher the concept, as it is far more complex than it seems. State capitalism means basically the proliferation of sovereign wealth funds, of state-owned enterprises (through increased participation of state agents in intensification of cross-border mergers and acquisitions, cross-listing of shares, international portfolio investment and foreign direct investment). This has a direct impact on national and regional development and it is also marked through the return of the State on heavy technology and industrial policies, but also through other forms of economic policies (mercantilist economic nationalist policies, unconventional monetary policies or even massive bailouts of the private sector).

However pronounced these phenomena, the term 'state capitalism' is heavily questioned in academic terms. It could be considered rather as a particular expression of the capitalist state. During the pandemic, the state made an impressive intervention on fiscal issues to support the failing economy (for example the US fiscal support in the context of the Covid-19 pandemic amounted

to 25% of the 2019 GDP). Despite that, even if this sounds as very important it did not lead to any real transformative action of the economy.

As I was switching-off from the *Regions in Recovery* conference I was a bit overwhelmed from the volume and the diversity of the information I got. As I was also tweeting on the conference I felt a bit carried out by the technology and needed some time to digest an impressive amount of knowledge. But this was already a glimpse of the future as I felt that I would probably not participate in future conferences the way I did two years ago, pandemic prevailing or not. Online is not that 'virtual' after all!

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