



## The Political-Economy of Place-Based Policies with a Focus on Special Economic Zones

April 23-24, 2015

Warsaw, Poland

### CALL FOR PAPERS

#### The role of place-based policies for regional development

While locale has always played a central role in any economic enquiry within an economic development and growth context, the absence of its political-economy aspects from in particular the economic literature on regions or regional aspects of development is striking. This is perhaps because in the new economic geography the idea that economic agglomeration is a 'natural' result or outcome of a free market economy processes of pull and push (Williamson, 1988) or centripetal and centrifugal (Krugman, 1998) forces has been the dominant paradigm in the mainstream literature during at least the last two decades (and perhaps much longer).

The very opposite idea emerges from the literature on regional economic systems (Cooke et al, 1998). The perspective on regional competitiveness emanating from this tradition is that the emancipation of place by itself for competitiveness purposes is difficult and also dependent on factors such as timing and coincidence (Kitson et al, 2004, Barca et al, 2012). The problem for the regional planners becomes how to ensure the long-term competitiveness in a world of increasingly footloose factors of production.



However, despite the trivial role of chance and the challenges of globalization, place can in this perspective seek to differentiate itself by encouraging for example infrastructure and institution building in ways that convert policy efforts into lasting outcomes that will have a consequently marked effect on the behavior of both businesses, people and governments. Only then does the policy effort effectively convert into lasting institutions, formal as well as informal. But to date there is a lack of understanding exactly how this conversion happens and what are the best tools politically to achieve it for long-term competitiveness.

In the transition countries place-based policies have played a special role (Litwack and Qian, 1998) more than anywhere else as a bridge between a transition from a very place-centered economic system towards a market-based economic system that will pretend it is not place-based but in fact it is just in a different way (Rigg et al, 2009).

At the same time is the global proliferation of these type of place-based policies somewhat worrisome and may in a sense also be viewed as a partial retreat from the liberalization agenda since in many ways do these policies equate with more traditional types of trade policies (Grubel, 1982), the difference being that the wedge of the policy falls on the relative costs rather than the relative prices and the behavioral effect will therefore be absorbed through the producers rather than consumers. Hence there is good reason to follow the locational consequences of these type of policies and what impact they have not only for regional but also national competitiveness over the longer run in the countries that adopt them.

Special economic zones have become very popular as a policy experiment (Farole, 2012), maybe especially following China's success with using the zones as a way of attracting and containing foreign direct investment within an economic system that largely has remained socialist in its important dimensions of both spatial planning and ownership when it comes to large scale capital.

The aim of this conference is thus to encourage contributions on this important topic towards informing future policy-makers for better practice in the realm of economic policy and regional development. We think this is not a quest for a holy grail, but rather the opposite. Even though the role of healthy competition promotes the idea of regional losers and winners as a part of industrialization or re-industrialization, competition does not preclude the possibility that many types of successful regional competitiveness can co-exist at the same point in time. This is particularly true if efforts are directed towards lasting competitiveness outcomes that promote differentiation and therefore innovation (Porter, 2008) rather than short termism based on the cost side of production alone.



## Topics

We welcome all manner of submissions regarding these issues, including but not limited to:

- SEZs and socio-economic goals at the regional and national level
- Evaluation of zones policies in terms of a particular approach to cluster building, examples of good and poor practice
- SEZs from a political governance perspective, how did they come into place, how did they evolve over time etc.
- Institutional facets of SEZs, including e.g. how do zones interact with national institutions, is it true that zones typically try to alleviate large institutional gaps between the reality of establishing new firms in developing and transition economies and the expectations of foreign investors?
- Evaluation of zones policies from a social responsibility perspective, e.g. do they help to heighten standards such as social and sustainable practices in particular in developing countries
- Evaluation of zones policies from an international business practitioner perspective, e.g. do international investors find them beneficial and why or why not?
- Comparative studies across geographical regions: developed, transition, and developing economies

## Publication Opportunities

The conference organizers are currently in talks for a special issue of the prestigious journal *Regional Studies*. We hope to have more information and confirmation of this in the coming months. Additionally, a special issue of the journal *Kwartalnik Nauk o Przedsiębiorstwie*, published by Warsaw School of Economics, is planned.

## Deadline

The deadline for submission of papers is **December 31, 2014**. Full papers are preferred, although extended abstracts (5-10 pages) will also be accepted, with the understanding that the full paper is submitted by January 31, 2015. Authors will be notified by **February 13, 2015**. The papers and abstracts should be submitted to [conference.sez@case-research.eu](mailto:conference.sez@case-research.eu)



## References

- Barca, F., McCann, P., & Rodríguez-Pose, A. (2012). THE CASE FOR REGIONAL DEVELOPMENT INTERVENTION: PLACE-BASED VERSUS PLACE-NEUTRAL APPROACHES. *Journal of Regional Science*, 52(1), 134-152.
- Cooke, P., Uranga, M. G., & Etxebarria, G. (1998). Regional systems of innovation: an evolutionary perspective. *Environment and planning A*, 30(9), 1563-1584.
- Farole, T. (2012). Special economic zones. *What have we learned. Economic premise. The World Bank. September 2011, No, 64.*
- Grubel, H. G. (1982). Towards a theory of free economic zones. *Weltwirtschaftliches Archiv*, 118(1), 39-61.
- Kitson, M., Martin, R., & Tyler, P. (2004). Regional competitiveness: an elusive yet key concept?. *Regional studies*, 38(9), 991-999.
- Krugman, P. (1998). What's new about the new economic geography? *Oxford review of economic policy*, 14(2), 7-17.
- Litwack, J. M., & Qian, Y. (1998). Balanced or unbalanced development: special economic zones as catalysts for transition. *Journal of Comparative Economics*, 26(1), 117-141.
- Porter, M. E. (2008). *Competitive strategy: Techniques for analyzing industries and competitors*. Simon and Schuster.
- Rigg, J., Bebbington, A., Gough, K. V., Bryceson, D. F., Agergaard, J., Fold, N., & Tacoli, C. (2009). The World Development Report 2009 'reshapes economic geography': geographical reflections. *Transactions of the Institute of British Geographers*, 34(2), 128-136.
- Williamson, J. G. (1988). Migration and urbanization. *Handbook of development economics*, 1, 425-465.