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**Conference Paper**

## Building the Information Society in the regions: people, network, clusters

39th Congress of the European Regional Science Association: "Regional Cohesion and Competitiveness in 21st Century Europe", August 23 - 27, 1999, Dublin, Ireland

**Provided in Cooperation with:**

European Regional Science Association (ERSA)

*Suggested Citation:* Seidel, Karsten (1999) : Building the Information Society in the regions: people, network, clusters, 39th Congress of the European Regional Science Association: "Regional Cohesion and Competitiveness in 21st Century Europe", August 23 - 27, 1999, Dublin, Ireland, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

<https://hdl.handle.net/10419/114254>

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**The European Regional  
Information Society Association  
11 Rue de l'Industrie  
B-1000 Brussels  
Belgium**

**ERSA 39<sup>th</sup> European Congress 1999  
Dublin, 25<sup>th</sup> August 1999**

**Parallel Session “Human potential and the Information Society –B–“**

**Building the Information Society in the regions People, networks, clusters?**

Dr. Karsten Seidel, Chief Executive Officer, erisa

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## **1 Introduction – why a *strategic* approach?**

There is much discussion going on about a *strategic* approach to the IS. Why is a strategy needed, is it that some people can't cope with a fundamental change, or are traditional policy tools failing? Which are the actors and do they communicate their interests?

The European Union has started its initiative in 1993. Several European policy documents have prepared the Information Society and encouraged regions to pursue an active role therein: The Delors White Paper on Employment, Competitiveness and Growth, the Bangemann Report, The Action Plan “Europe's Way to the Information Society”, the First Annual Report of the Information Society Forum, the Green Paper “Living and Working in the Information Society, the White Paper on Education and Training, the Interim Report of the High Level Expert Group – all of these policy documents (and of course the programmes behind these) supported this thrust of European policy aimed at maintaining a competitive regional economy.

A strategy could be defined as a visionary plan with the relevant resources to implement it. For erisa member regions the strategic approach is fundamental and in fact the background to setting up the association. Most erisa members have



established Strategy and Action Plans (SAPs) for implementing the Information Society. It is based on public-private partnership, co-operation amongst key actors and a common philosophy in the regions regarding e.g. the prioritisation of measures to be taken. For regional development, mostly from regions lagging behind, there is often a severe problem to convince policy makers to shift their activities from traditional, often subsidy dependent industries to the service sector. But also to introduce ICTs quickly into the “old” industries allowing them to remain or become competitive. No politician or civil servant would openly admit that they are against new technologies, but to motivate them to implement concepts to support their use is difficult. Because this means to re-allocate money, substantial funds from old-industry-support and e.g. roads construction to investment in ICTs. A thorough change in the patterns of thinking and acting and of course regional development policies is required.

## **2 European Programmes**

The EU has allocated many efforts and substantial funds to implement the Information Society concept. The Regional Information Society Initiative (RISI) supports more than 40 regions in pilot applications and Strategy-and-Action-Plans. Large consultative processes have taken place. To monitor and support this process progress, a longterm system of regular reports and an internal mainstreaming process was designed. It is not always as effective as hoped, sometimes progress is blocked by institutional barriers and/or people, but it is supported by a vast majority in the pilot regions.

More than five years later, this success is evident across a number of different EU policy spheres and activities. The Information Society is now an integral part of the EU's RTD policy - forming the basis for one of the Specific Programmes of the Fifth Framework Programme for RTD – User-friendly Information Society (the largest of the Specific Programmes, with 24% of the Total FP5 budget). In many ways, this development is also the legacy of previous Framework Programmes, which funded both basic IT research and application-oriented projects. The impact of the RACE and ESPRIT programmes, for example, were felt at a regional level, stimulating the creation of networks that would go beyond the time limitations of the projects.

The Commission has also promoted the mainstreaming of the Information Society in the present and next generation of Structural Fund Interventions, through awareness raising, the promotion of regional information society strategies and action plans and interregional co-operation. The Information Society will be one of the priority areas recommended for structural interventions in the development of Agenda 2000, which will have an impact both on discussions with the



accession countries and the allocation of funds in the three new objectives of the structural funds of the EU.

These are just some examples of the way in which the information society has risen to the top of the European policy agenda.

Over the same period, many local and regional authorities have taken the initiative through:

- a leading role in the launching of applications and services in areas of their responsibility;
- a catalytic role in the promotion of public-private partnerships;
- a stimulation of demand role, contributing to the creation of critical mass in the use of networks and services; and
- a demonstration role as users of information society technologies in their own activities and in the provision of public services to citizens and enterprises;
- taking a strategic approach to implementing the information society to strengthen and develop the regional economy.

### **3 The role of networks in developing the Information Society**

Taken together, these developments at European and regional level have resulted in a considerable number of networks with a strong regional dimension to their establishment, functioning and management, whilst serving to promote, inter alia, the Information Society at a sub-national level. Local and regional authorities have been very active in developing inter-institutional collaboration. A number of organisations have been created, such as the Four Motors, or “Digital Cities”, with the aim of collaborating in RTD projects. Federations and networks of local and regional authorities have produced initiatives such as Elanet (the Local Authorities Telematic Network Initiative), Logregis project (Local and Regional Information Society) and the EISCO (European Information Society Conference) organised by Elanet for the CEMR (Council of European Municipalities and Regions). Erisa (European Regional Information Society Association) has been created to promote inter-regional collaboration in regions developing regional information society strategies and action plans. The municipality of Stockholm has played a leading role in promoting competition and networking amongst local and regional players in the European and in the Global Bangemann Challenge. Teleregions and ERNACT are further complementary pan-European initiatives.<sup>1</sup> These are just a few examples.

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<sup>1</sup> A detailed description of these networks and their functional patterns can be found in: Karsten Seidel, Promoting the regional dimension of the Information Society – Survey and analysis of European ICT Networks with a Regional dimension, Paper presented on the “1<sup>st</sup> European Regional Telematics Conference” - Tanum, West-Sweden, 15-16 June 1999



An uncountable number of networks have been set up in the regions. Which is their function? Are they an administrative tool, a measure to transform policies into development, or does their existence contribute to and are they perhaps an integral part of the regional competitiveness? Exploiting common areas, through networking and co-ordinated action, may offer the opportunity of improving synergy and reaching critical mass as well as thematic clustering and economies of scale. To achieve this, it may be necessary to establish adequate platforms and mechanisms for collaboration, as well as for the identification, dissemination and transfer of good practice, in particular for the benefit of the Less Favoured Regions.

The above mentioned inter-regional groupings provide a co-ordinating function at supra-regional level. The corresponding structures in the regions are achieving a regional view on certain items to be either done or influenced at national or European level. All these networks are one way or the other organised. Sometimes quite rigid, but more often “loosely coupled”.

#### **4 Describing networks**

The pace of change in this area has been breathtaking. However, it is useful to take a step back and address the question of the role that these networks play, both individually and collectively. How do they function, can they be described? Based on literature, existing analytical concepts and personal experience, I have developed a set of six separate qualitatively-determined parameters, which allows to assess each network in general and in particular in terms of its ability to fulfil a co-operative approach. The parameters are interdependent and subject to external influences. They are briefly described here:

- SO: Self Organisation - i.e. to what extent does the network have the capacity to be self-organised ?
- CO: Common Objective - i.e. what are the objectives of the network ?
- CE: Complex Environment - i.e. out of which environment did the organisation emerge ?
- SC: Strategic Capacity - i.e. to what extent does the organisation have the capacity to pursue strategic objectives ?
- LI: Links with Institutional System(s) - i.e. to what extent does the network operate with public institutional systems ?
- SL: Social Logics Functioning - i.e. to what extent does the network provide a structure within which the members can interact and co-operate freely ?<sup>2</sup>

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<sup>2</sup> For a more comprehensive description see: Karsten Seidel, Maritime Netzwerke in Europa als Beispiele für neuere industriepolitische Konzepte zur Verbesserung der Wettbewerbsfähigkeit, Bremen 1998



It is crucial for a network to demonstrate a functioning structure. The item auto-organisation refers to the desire of the actors of a network to structure their activities. The level of commitment is a more important criterion than institutional status. It must be linked to a sovereign institution (state), to facilitate the implementation of policies, which result from the networks activities. To pursue a common aim is linked to the strategic capacity, but can be more medium-term focused. The more complex the thematic and institutional environment of a network, the stronger is the demand for having a strategic orientation which overcomes the short-term interests of specific actors and the explicit will to cope with and exert influence in a complex environment. A further requirement of a network is to have a balanced. This requires two principles to be applied by the actors: confidence and reciprocity. A network can only perform very limited functions without mutual exchange.

## 5 Case study: Information Society networks

Within erisa, we have done a small survey analysing four out the above cited European associations. In drawing together information, the objective was to assess the fundamental qualities of the above networks, in terms of their nature, structure and operation. The following table presents a rating of each network against each of the parameters of the study. In analysing this information, account should be taken of the relative differences between the networks in terms of their objectives and their underlying structure. For example, whilst Telecities has a highly structured organisation, Locregis II is a much looser organisation which is project-based. In this context, the ratings given here (High, Medium, Low) should not be interpreted as representing a subjective scale of “good” or “bad” – they are simply an objective analysis based on the information gathered in an attempt to identify strengths where co-operation might be exploited for the benefit of all.

	<b>Erisa</b>	<b>GBC</b>	<b>Telecities</b>	<b>Locregis II</b>
<b>SO</b>	High	High	High	Medium
<b>CO</b>	High	High	High	Medium
<b>CE</b>	Medium	Medium	Medium	Medium
<b>SC</b>	Medium	Medium	High	Low
<b>LI</b>	Medium	High	Medium	High
<b>SL</b>	High	Medium	High	Medium

The networks under consideration have a broadly similar objective – to promote the information society and related applications and technologies at a regional



level to best effect. It is the means by which they go about achieving this objective which differentiates them. Nevertheless, the characteristics of the networks as measured against the parameters in the table above suggests that the networks are well placed to co-operate in principle.

Derived from this rather theoretical approach, the next question will be which people are co-operating effectively. Co-operation always means that you have to invest into a relationship. Negatively minded people might call this “investment” to *give up own strengths*. It will depend much on the parameter “social logics functioning”, if the exchange relations in a network context are reciprocal. Only if they are balanced, trust will arise.. This implies a certain equilibrium of give and take, which can only be achieved, when there is sufficient confidence amongst the actors. A. Giddens describes that “power within social systems of a certain continuity demands set rules of autonomy and dependence amongst individual or collective actors”. Each functional parameter described in paragraph 4 fulfils a certain power role within the whole set of all parameters. This comes into practice, when a network is acting: it will start a specific activity to endeavour a change. With other words, it exerts power. Whereas power used to be hierarchically structured, it is present nowadays more and more in a horizontal, interlinked form (I. Ramonet). Networks perform power in a consensual environment. This is evident in the numerous efforts performed a regional and European level to design strategic approaches for promoting the Information Society. Academic discussions in this context refer to “dialogue orientated networks”. New ICTs play a double role in this context: the exertion of power takes place often via a massive dissemination in public mass media. But ICTs are as well often the theme of an activity. However, communication is certainly not limited to printed or electronic media. Special communication skills are demanded by those persons representing networks which must enclose in particular a truly “balanced network character” of the representative of a network. They must inaugurate (or stand for) a culture of choosing (H. Schwengel). These persons are also described as a *democratic elite*. They must disseminate the activity of the network they represent as a solution to a problem, not a problem itself. They should contribute to a larger, common aim, and not only pursue an egoistic interest. Thus, the acceptance of the interest of *their* network is enhanced. It is embedded in a global approach and hence easier to support for other complementary or sometimes competing actors or associations.

## 6 Conclusions

This means that for strengthening the use of ICTs or the competitiveness of the IT cluster, those (personal) actors must design and represent legitimate relations between different levels of interest. These are found at spatial (regional, national, European), thematic, political and administrative levels and are mostly



interlinked. The complexity of these power relations is such, that successful networks will be those, whose actors are fully conscious of the fact, that their success is only possible, if they act as a collective body, and not as individuals (or even the sum of individual interests). The outside communication of the network's power can be most efficiently done by those who can be characterised as a democratic elite.

*Brussels, 1<sup>st</sup> July 1999*