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Regional identity and social capital in regional economic development and planning

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REGIONAL IDENTITY AND SOCIAL CAPITAL IN REGIONAL ECONOMIC DEVELOPMENT AND PLANNING

GARRI RAAGMAA

To be successful means to be liked, and to
be liked means, in many ways, to be alike.
Dahrendorf 1959

ABSTRACT *This paper analyses the regional identity and social capital formation process and components. Regional identity is the special kind of phenomenon, which forms throughout historical and territorial socialisation. The great ambition of this paper is to interrelate Anssi Paasi (1986) and other cultural geographers' and sociologists' ideas with recent regional economic development and planning discussion and to enhance regional identity as a planning tool. We assume that regional identity correlates with people's volition in achieving common goals, raises their personal activity and influences due to that regional development. The regional identity is crucial in securing public participation in planning.*

1. Introduction

The efficiency of public and civic sectors, their ability to carry out strategies, the involvement of local people and enterprises in development planning and promotion regions has become increasingly essential. The key question for authorities is how to create a favourable business climate for enterprises and better living conditions for citizens simultaneously. The task is not simple, because often these interests have a contradictory character.

Keeping the idea of the region (nation, locality) on the table and knowingly designing regional identity may calm down many antagonistic fights (Amdam 2000) and breed social capital and co-operation. The regional identity with its "institutional thickness" based on common social space and local culture forms so-called "structures of expectations" (Paasi 1986), which allows change in some institutions and carrying out painful reforms without a danger of social collapse.

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Castells (1997) points out three types of identity building. First, legitimising identity generating a civil society, that is, a set of organisations and institutions as well as series of structured and organised social actors, which reproduce the identity. The second type is identity for resistance – emergence of all kinds of protest movement. The third type provided by Castells (ibid.), construction of a new identity, invention of new social structures (Healey, 1997), can be considered extremely important for planners: a successfully shared vision helps to safeguard the functionality and sustainability of newly created structures.

When speaking about regional identity we cannot distinguish space and social-economic processes because space is not only a pure reflection of society, it is society itself (Castells 1983).

Social space contains a great diversity of objects, both natural and social, including the networks and pathways, which facilitate the exchange of material things and information.

Such “objects” are thus not only things, but also relations.” (Lefebvre 1991).

The community or region is a consequence of a complex process of reproduction, production or creation of space.

Regional identity formation is a deeply social, spatial and historical (cultural) phenomenon that contains a stabilising and changing, destructive and constructing character. This finding is to an extent contradictory and needs some deeper analysis below.

2. Regional culture, social capital and economic development

The regional culture comprises the way things are done there: the shared values, beliefs, and the social tradition of the region. Culture is now seen as an active force in social reproduction, the negotiated process and product of the discourses through which people signify their experiences to themselves and others (Clifford and Marcus 1996).

Particular (micro-)culture may stimulate innovation and the learning process when some other does not. Local/regional socio-cultural and behavioural factors have been counted by several authors to be even more critical to regional development than the traditional attributes of economic geography, like distance and concentration (see Porter 1990; Whitley 1992; Putnam *et al.* 1993). The regional/local culture matters in the evolution of local industrial practices and enterprises – the primary creators of the wealth – are influenced by the societies in which they

operate. Several nice examples have been given (Hansen 1990) about hundreds of years of prolonged cultural evolution and its results in development.

An essential part of any culture is learning. The faster some particular culture, its people and enterprises are able to learn from the opportunities offered by the environment and the outer world, the more successful economic and social development could be. However, society's ability to innovate and to act differently will never occur overnight. The existing regional culture consists of values, and established practices and institutions influence new emerging regional practices. Normally, the causality works both ways. According to Shapero (1984) the prior institutions in a locality form a sound footing for the evolution of a local culture. Or devolution.

Overcoming dilemmas of collective action and the self-defeating opportunism depends on the broader social and cultural context. Voluntary co-operation and trustful relations take place in a community that has inherited substantial stock or social capital in the form of norms of reciprocity and networks of civic engagement. Social capital refers to features of social organisation, such as trust, norms, and networks that can improve the efficiency of a society. Spontaneous co-operation is facilitated by social capital; mutual aid practices also represent investments in social capital and raise trustful relations (Putnam *et al.* 1993)

The greater the level of trust within a community, the greater the likelihood of co-operation. And co-operation itself breeds trust. In small, close knit communities, the prediction is based on "thick trust", a belief that rests on intimate familiarity with this individual. On a larger scale, social trust arises from norms of reciprocity and networks of civic engagement. Social norms transfer the right to control an action from the actor to others. They are inculcated and sustained by modelling, socialisation (including civic education) and sanctions (*ibid.*).

The absence of trustful, entrepreneurial and learning traditions may form an obstacle to the stimulation of indigenous development, as is clearly perceivable in branch plant economies and localities dominated by externally-owned corporations (Sweeney 1990).

The differences in regional cultures have been absolutely essential in Estonian industrial practices and development. They obtained a particularly large influence during the transition period 1988-1995, when macro-economic conditions changed rapidly and new economic patterns emerged. The innovativeness of the population and, subsequently, new business

activities varied a lot by regions and communes. In general, it was possible to follow quite clear west-east differences in innovation and entrepreneurship. This phenomenon and its influence on a region's development have been statistically analysed in several studies (Keskaik & Raagmaa 1994, Raagmaa 1995, 1996).



Figure 1. The Spirit of Tartu as it (or he? or she?) has been portrayed by Urmas Nemvalts in the *Tartu Postimees* daily newspaper 3.05.2000. (Free translation: “Well, it’s not easy ... the Power of Latvia promised to meet the Spirit of Tartu today.”)

However, Estonia's post-transition started in 1996 and brought new players into the game. Instead of pure entrepreneurialism, which guaranteed fast take-off in some regions, several new factors, like the size of the market, the regional investment climate, logistical position and public sector pro-activity, are influencing regional development. Current labour and migration studies show a fast out-migration from the most innovative and entrepreneurial regions of the past decade, Western Estonia (Tammaru and Sjöberg 1999), as a consequence of the lack of employment and career opportunities.

At the same time, conservatively behaved (until 1997 in economic terms) regions like Viljandi and Tartu counties are catching up with the Western regions and showing relatively strong and sustainable economic development nowadays.

Consequently, in a certain stage of development, a highly entrepreneurial culture and individualistic model may not benefit, but quite the opposite, restrict the development of the region. Such examples are perfectly given by Sotarauta & Linnanmaa (1997), who describe the very entrepreneurial but very individualistic Seinajoki region, which was unable to create trustful networks and indigenous development.

Sotarauta & Linnanmaa (ibid.) give a quite different example from the Oulu region, where co-operation between different actors led to well-functioning trustful networks, a general consciousness about the publicly co-ordinated development process and, as a result, the building up of a successful regional technology centre and other projects that included place promotion and identity building itself.

Viljandi and Tartu counties above are well-known with their original or even peculiar regional culture, where material welfare (especially in Tartu) has been considered throughout their history of secondary importance, at least less important than in other regions in Estonia. It has been often argued that particularly Tartu as an old university town with its academic thinking and spirit (Figure 1) counterbalances Tallinn's economic growth oriented and material thinking. This is a strong idea indeed.

When reviewing the history, it has been true that most cultural innovations had their roots in Tartu, including the Estonian national awakening at the second half of the 19th century and the reestablishment of independence at the end of the 1980s. At the same time, many business innovations are taking their roots in Tartu a long time after having been adopted in Tallinn, Pärnu or in some other areas.

3. Regional identity in social context

Now we are going to specify the sources of identity. Maslow (1989) described the necessities in a hierarchical relationship - in the pyramid of needs (see Figure 2). Satisfying needs on the lower level proceeds to the actualisation of needs on higher levels. On the first level there are physiological needs, the satisfaction of which is necessary for the organism to function. The need for safety and protection are on the second level. The needs on the first and second level are united with the phrase "basic needs".

The need to belong follows basic needs and can be considered the strongest social need. Afterwards, when a personality knows where he/she belongs, he/she knows who he/she is, he/she may claim for merits in the society and fulfils the need for his/her own self-realisation.

Identity and identification are worked out through issues of belonging and exclusion within some form of communal association (Hetherington 1998). Social groups are always rooted to the space where they act. People might be different, individually, but they inhabit a common moral and perceptual world, a common *habitus* (Bourdieu 1990) in which everyone knows the place. Taylor (1982) defined a community as a small stable group of individuals holding common beliefs and values with direct and multi-sided relations.

Here we bring into use the notions "*Gemeinschaft*" and "*Gesellschaft*" elaborated by Tönnies (1955). *Gemeinschaft*-type society is based on unconsciously granted belonging to a

group habitually grounded in traditional social action – this fits with the identity generating civil society of Castells (1997). The opposite category *Gesellschaft* means impersonal, calm and calculating urban modern society that causes alienation and creates several protest identities.

The post-modern communicative space is increasingly diverse, and people have innumerable amount of variants to choose. The obstacle is not any more the distance and lack of communication, like in agrarian (pre-modern) society, and not the top down standardisation and belief in meta-narratives like industrial (modern) society. Paradoxically though, in the condition of absolute information and the possibility of interactive communication, most problematic for the informational (post-modern) society agent is making distinctions between different information and the time limits to deal with the subject. If people are incredulous towards meta-narratives and they ignore general (scientific) truth, then they simply follow some other utopia imagining and believing that this can bring them a better life. As Mingione (1994) writes, this leads people to greater reliance on informal kinship networks of support.

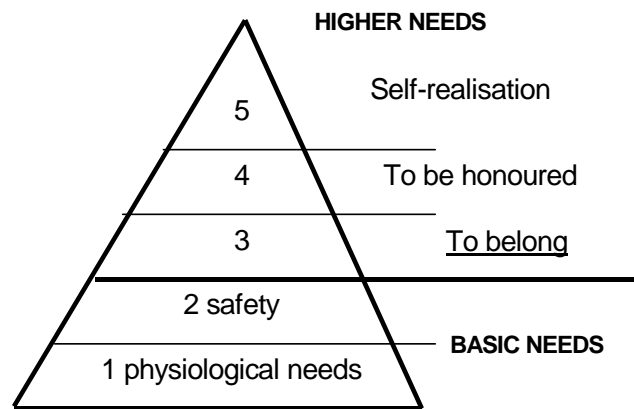


Figure 2. Maslow's pyramid of needs.
Adapted from Maslow 1989

There are a multiple and growing number of spaces where certain types of communities feel safety.

In the conditions of general welfare, where basic needs are covered for most people, post-materialist values like self-fulfilment and esteem have become more influential (Inglehart 1990, 1995). These needs cannot be met by the mass production society of standardised institutional structures. People are looking for new and different "attractions".

This explains the "bottom up boom" of the 1980s and the critics of rapid post-war modernisation (Stöhr and Taylor 1981). In this light, Cooke (1989) introduced the third category of radical societies he called "locality". Localities are not simple places or communities. They are the sum of social energy and agency resulting from the clustering of diverse individuals, groups and social interest in practice. Cox and Mair (1991) had quite similar thinking. Urry (1987) also supports locality as a concept and draws several examples of locality effects.

Max Weber's (1970) "*Gemeinde*" or charismatic community and the open and internally developing collective emotional society or "*Bund*" (Schmalenbach 1922, cf. Hetherington 1998) are quite close to locality. *Bund* means a wholly conscious phenomenon derived from mutual sentiment and feeling, offering its adherents a form of expressive organisation through which a way of life can be sought among a group of fellow supporters from whose emotional support a sense of solidarity and group identification can be attained (ibid.)

Another important issue is that regions are not immutable but subject to change as they are continuously reinterpreted and reproduced (Urry 1985); they are dynamic in time and space.

This dynamism of regions and identities has increasing particularly nowadays, when competition in the image building trade becomes a vital aspect of inter firm competition ... and the search for historical roots are all signs of a search for more secure moorings and longer lasting values in a shifting world (Harvey 1990).

Social space and identities are changing throughout history, but belonging, as the basic social need, always exists (quite constantly) like the need for a food and safety. The question is just what layers and what areas of the social space are relevant in a certain time and place. The new informational society creates several new identities and the identity formation process today can be considered much more diverse than 30 years ago.

Gesellschaft-type society cannot satisfy people's need for belonging, especially those with highly educated, diversified lifestyles (Healey 1997). TNCs and globalising, rootless, market forces create, paradoxically, higher demand for emotional "*Bund*" type identities, which are more able to satisfy people's basic social need to belong. In that context, we can see more space for local and regional identities in the future too.

4. Regional identity formation – the process

Regional/local identity is a phenomenon where people identify themselves with the social system of a certain region (Häuszer and Frey 1987) – with its people, culture, traditions, landscape, etc. Regional identity is expressed in different ways. It may be simply a regional inferiority complex or regional pride. More intense regional identity is expressed in a certain sense of belonging.

Paasi (1986) identifies in his model four shapes in regional identity formation:

- 1) the constitution of the territorial shape,
- 2) the symbolic shape,
- 3) the institutional shape, and finally,
- 4) the emerging socio-spatial consciousness of the inhabitants and the establishment of the region/locality in the regional system (Figure 3).

Actually there is no particular sequence, which means that all stages of the region formation process take place simultaneously.

During territorial shaping (1), the region/locality achieves its boundaries and becomes identified as a territorial unit in the spatial structure (Paasi 1986). The existence of boundaries of some kind as a basis for social classification is the fundamental requirement for the emergence of regional consciousness among inhabitants. The development of territorial shape refers to the localisation of social practices (ibid.), like a medieval town first established in the castle, gradually expanding around the castle, and, finally, being surrounded by a wall (Kosonen 1996).

The symbolic or conceptual shape (2) is fashioned on a territorial basis. The system of symbols consists of a mosaic of qualities featuring the name of the region, the local language (dialect), the landmarks and the infrastructure (Paasi 1986). The most important symbol is the name of the

region. The symbols of a region may be symbols by their nature, like a flag and coat of arms. They can also be material, like buildings or monuments or human, like politicians, writers, thinkers, and media persons. They can be traditional actions and celebrations and even certain elements of lifestyles.

Institutional shape (3) comprises the formal organisations and the established practices: neighbourhoods, clubs, networks, schools, firms, non-governmental organizations (NGOs), self-governments including informal institutions like friendships, relations, lifestyles and ways of behaving which employ the name and other territorial symbols of the region. The institutional sphere maintains the image of the region and the criteria for the identity among inhabitants (ibid.). Institutions involve active people and social groups and form the thick structure or "institutional cake". This "cake" containing relations, friendships, business contacts, and common values, breeds' social capital and trust, establishes a milieu, and a local culture.

The formation of the region's identity and of people's consciousness (4) is the result of the continuous process of institutionalisation and transformation. Paasi (1996) stresses here the importance of social and historical processes. The essence and history of the region is connected with the biographies of individuals through the agency of a sphere of institutions, which again is reproduced in the every day practices (lived space) of individuals (Lefebvre 1991, Soja 1996).

The personality of a region is a composite of natural environment and the modifications wrought by successive generations of human beings (Tuan 1996). We talk about the spirit of region because of the greater emotional charge than just location. We would also call this part of the regional identity "spiritual space" or "*genius loci*" (Crang 1998), which forms deeply in people's (sub)consciousness.

This spiritual space is like a love – a deep, persistent and all-embracing feeling. Love is a subconscious phenomenon, which is highly personal, emotional and can be controlled only partly (ENE 1985). "Spiritual space" is therefore simultaneously natural and social, physical and mental, perceived and conceived, instinctive and rational, nonrecurring and general.

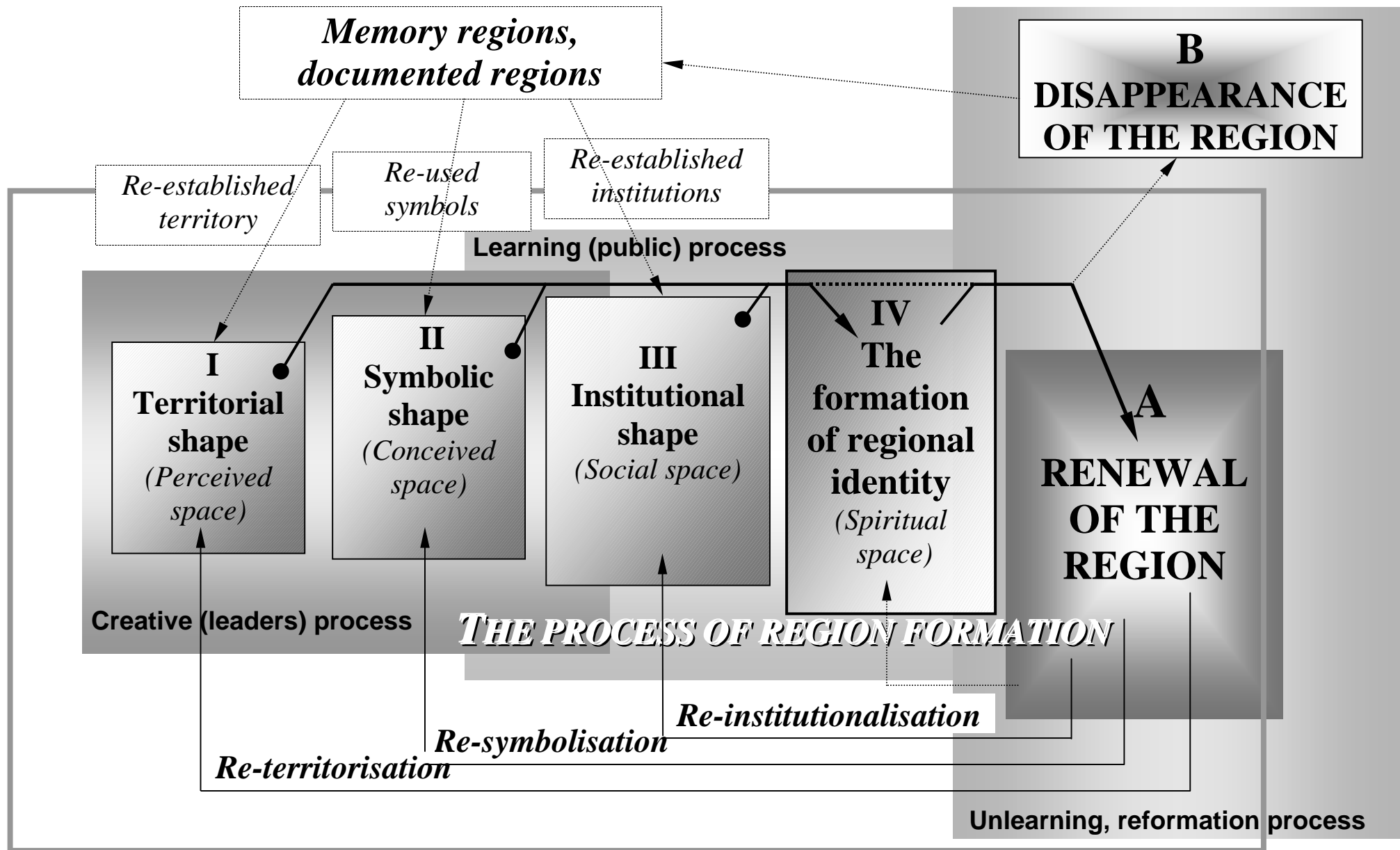


Figure 3. The process of region formation: disappearance and renewal of regions.

After Paasi (1986), Lefebvre (1991), Soja (1996), Maskell & Malmberg (1996), Riikonen (1997).

Love has been always more subject of art than science; it is irrational *per se*. People often say: "I love this place" or "I like this city" without asserting why they do so. People living in some area for a long time become patriots of their region. On the other hand, it is evident that love gives people enormous power and motivation and sometimes leads even to a reversal of Maslow's hierarchy of needs in the form of self-sacrifice. History knows many martyrs who sacrificed their lives for love, family, home, country, and ideology.

Regions and localities do not last forever. There are two principal ways for regions to develop (see Figure 3):

- A. Continuous renewal of the region. This means ongoing changes of the physical territory (material, perceived) like borders, landscapes, buildings and milieu. The space is changed by nature itself, but in human societies and especially in urban environments most changes are human-born. Like physical spaces change, so also do symbols, values of people, lifestyles and social networks. Institutions come and go.
- B. Disappearance of the region. If the territory changes, people with entirely different values move in, resulting in significant changes in the region's/locality's institutional framework or symbols. A new kind of region emerges, and the old one disappears. This has been the result of an outside intervention, invasion, war or territorial-administrative change.

5. Regional identity – a collective mobilising force and a tool for planning

5.1. Regional identity and community action

Thus, regional identities are “mental” products of societies' interaction with their physical and social space (environment) and the mental reflection of the space in people's mind and memories. The collective identity creates regions from the physical space, from the territory. Paasi (1991) stated:

Compared with the individually experienced and produced “place”, the “region” has an explicit institutionalised and thus collective nature. Place refers to the process by which everyday practices of individuals relate to the structures of institutional power, whereas region is a symbolic entity beyond direct experience produced by individuals only by collective means.

Paasi (1991) introduces here an additional collective dimension: the collective work of individuals for the region. The "structures of expectations" established when sharing the common space would guarantee social needs and safety for people. Paasi (1996) writes:

Structures of expectations are employed here to refer to time-space specific, regionally bounded, institutionally embedded schemes of perception, conception and action which – as a part of the dominating narrative account of the territorial unit in question – serve as significant structures in socio-spatial classification.

First, the region satisfies the individual's need to belong. Secondly, it defines through its cultural value-scheme ways in which an individual may become honoured, and, finally, it creates opportunities for self-realisation.

This collectivism is the "lived space" or "space of representation": people's feeling, collective voice and action (according to local social norms, informal institutional set up, narratives and stories) for and against the outside intervention or internal opposition, formalised public policies, politicians, planners shaping their everyday living space and lifestyles (Lefebvre 1991, Soja 1996).

Regional identity and nationalism (patriotism) as one of its forms has been one of the most powerful collective mobilising factors of people throughout history. Like Esman's (1994) ethnic mobilisation, we may speak about economic or social mobilisation at the regional level through regional identity. Gisevius (1993) states that regional identity may become an administrative strategy, which helps to mobilise local powers for regional development.

The cases of Scotland, Wales and Northern Ireland – the rise of their newly emerging or re-established national (ethnic, regional) structures – are good examples here. The emergent economies of these regions reflect the motivating power of regional identity in a very impressive way. People's territorially tackled identity will be strengthened on the higher supra-regional European (Kleijnsen 1999) and especially lower regional and local levels.

Regional identity formation may obtain different levels from primary socialisation (satisfying the basic need to belong) to social action (free will to be mobilised for community action) and articulated regional identity (ARI). In the case of the last level, the idea of a common region becomes the important target of self-fulfilment for the personality willing to take responsibility and leadership in some community actions. The regional consciousness and

collective feeling of people works additionally as an accelerator of institutional and collective learning and personal development.

Regional identity is a significant determinant of human action formed through the day-to-day experience and shared memories of people. People are born into groups, which they cannot freely choose, and the field of communication is mediated by the institutions of the region and society (Habermas 1979).

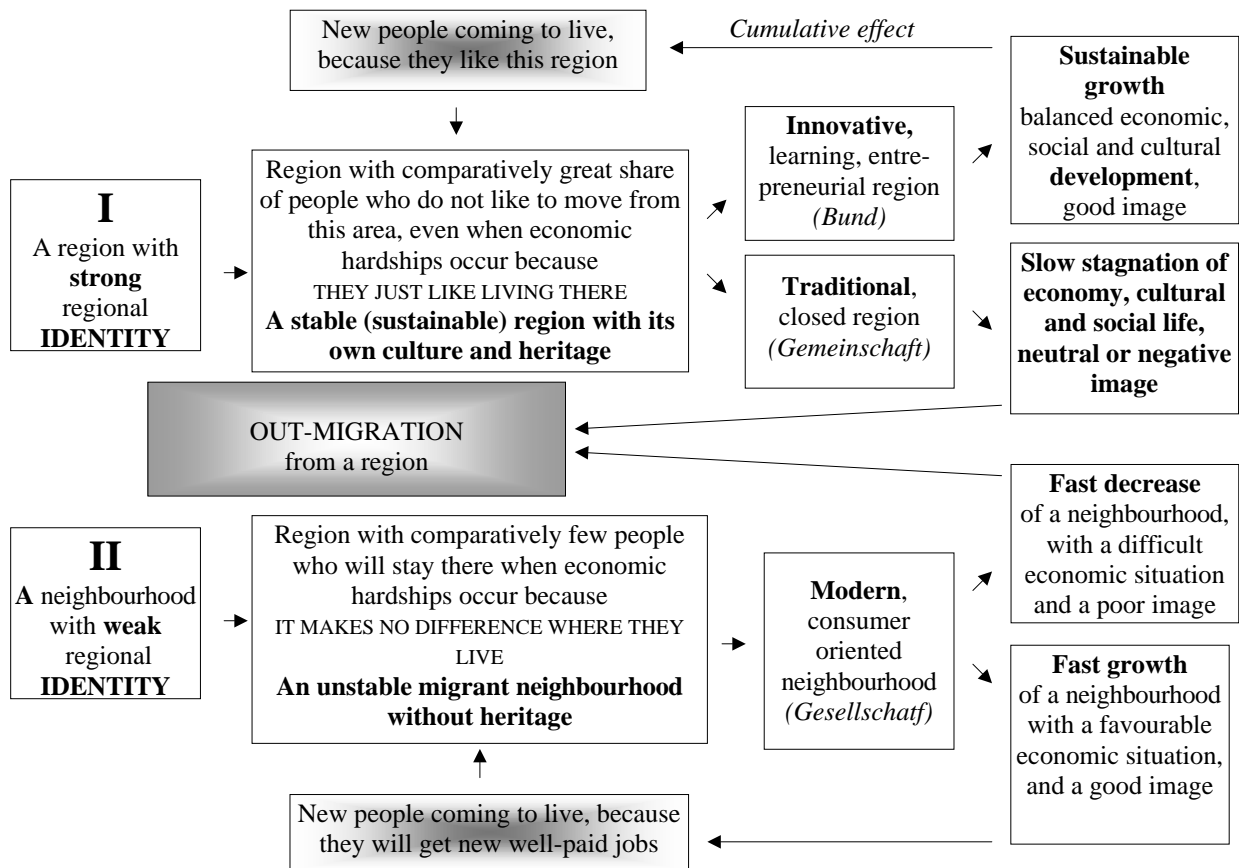


Figure 4. The hypothetical effect of regional identity on population migratory behaviour.

Here the discussion can be traced back to the "Vidalian" heritage of *Genre de vie* – collective organisation in a particular geographical place (*pay*) producing and reproducing throughout the local human history of the environment (*milieu*) of integrated natural, cultural and spiritual practices (Vidal de la Blache 1911, cited by Johnston 1994). *Genre de vie* consists of an emotional dimension which is expressed in human action. The emotional dimension is simultaneously one of the components in the formation of structures of expectations and trust – so important in successful social and business development (Sabel 1992).

Regional identity may also lie in deliberate emphasis on local cultural or regional peculiarity or even express itself in political and cultural actions (Meier-Dallach 1980). The elements of local identification contribute to the reputation of a locality. This may be instrumental both in exogenous and indigenous development, because the localities, having a reputation of high cultural standards, are assumed to attract more people, potential entrepreneurs, investors and labour (Spilling 1991).

In addition, local communities, which generate their own economic prosperity, have been noted for a distinct local and technical competence (Sweeney 1990). A region with good internally-supported identity and reputation has good potential to attract investments and new people (Figure 4). A neighbourhood where people have no particular regional identity may grow fast thanks to the investment made by outsiders interested in the utilisation of natural resources, location or labour force, but may later rapidly decline because of rootless people and missing community.

5.2. Involvement of the public in the development planning process

Public participation has become mainstream in regional planning over the last 20 years. The rising complexity of society, the continuously improving educational level of people and the availability of information via ICT limited traditional top-down planning practices and largely extended collective negotiation and communication in planning, which has been called communicative, transactive (Friedmann 1973), participatory and/or collaborative (Healey 1997) planning.

Planning is becoming, more than ever before, a part of decision-making and a political process. In a way, planning has shifted from a technical exercise to “invention” of new social structures and consensus building (Healey 1997). Public participation and the success of the process of development as a whole are influenced by the attitude of the authorities on one hand and of the people, their activity and knowledge on the other hand. In order to reach a mutual understanding of the goals and the solutions to the problems, interest in public participation is necessary from both sides.

Here the strength of regional identity and institutional thickness are critical. The multitude of

institutions guarantees more active participation and sustainable civic development: an active and dynamic network, and its formation serve as a vehicle to reinforce local potential (MacLeod 1997). The social network forms the avenue for the attachment of a new enterprise or a new activist to the community. An entrepreneur with a close attachment to the community through strong personal ties may become a prime component in shaping of the local (industrial) culture.

(Business) entrepreneurs, community or social entrepreneurs, contributing to local development, consider the development of the community a primary goal (Johanisson and Nilsson 1989). And vice versa: quite often, regionalist political movements have economic goals (Sweeney 1985). There are many cases (e.g. Amdam et al 1995), where local identity sets fire to collective will, mobilised economic actors into the development and resulted in economic success.

The paradox here is that to establish such institutions, in some circumstances, the public needs a lot of encouragement. The person's willingness to shape the future development of community is normally dependent on that person's position in a social power hierarchy (Persson 1997), education and economic situation. People with lower incomes have no chance to deal with social questions and are mainly involved in activities directed at satisfying their basic needs.

The activity of public participation often depends primarily on the action of the authorities and attitude towards the necessity of public participation. Lack of political will and fear from the authorities that strong public participation and a multitude of institutions and opinions slows down the process of development may become an obstacle (Toth Nagy 1995).

The conservative attitude of authorities may create several obstacles to institutional development and cause a lock-in situation and lower innovation capacity in the long run. It is possible that the language and practice of planning is intentionally made complicated in order to avoid public interference (Thompson 1995). Often, the old-minded leaders avoid implementation of innovations in order to preserve their own status quo (job, power, bonuses). This may lead to the "erosion" of trust and devaluation of the "community" idea.

6. Conclusion

In this paper we analysed the essence of regional identity and its possible effects in regional economic development and planning. Existing strong regional identity enables the growth of social capital (networking, shared values and trust) and co-operation, enables the less painful re-institutionalisation of a particular region, avoidance of path-dependencies and chaotic breaks in the development process. Regionally and locally embedded identity creates greater collective and personal work motivation, induces learning and gives stability in demographic development.

The theoretical discussion noted the importance of regional culture in regional economic development. A high level of social capital in local culture enables networking and thick trust as well as rational behaviour and different kinds of co-operation. For instance, despite the smallness of the country, the differences in regional/local cultures appeared to be essential features explaining the differences in Estonian regional economic development.

Regional culture and its production mechanisms have been under the sharpened attention of sociologists and modern philosophers during the last decades. Space became one of the major categories in sociology – an inseparable component of human practices. The question "What is space?" is therefore replaced by the question "How is it that different human practices create and make use of distinctive conceptualisations of space?" (Harvey 1973). Therefore, beyond the traditional dichotomy of perceptual (objective) and described/planned (subjective) spaces, we should speak about the third category that Lefebvre calls social space – people's relations, collective voice and action, deeply subjective in their contents. This thinking has resulted in a qualitative change in sociology, human geography and regional studies.

The production of social space and the formation of local culture and identities can take place only within a physical space. Spaces and regions as well as social structures are continuously produced and reproduced. The speed of transformations depends very much on the dominant social formation, dominant economies and technologies, applicable communication tools and, indeed, on the rigidity of social structures and cultures themselves. In general, the speed of social and spatial change correlates very much with capitalisation and openness. The difference in the speed of development between urban nodes of the global network and marginalised areas rises rapidly. Time flowing at different speeds in different societies

increasingly divides the world into "slow" and "fast" (Knox 1995) and produces many new identities, sometimes within geographically relatively small areas (cities).

The process of regional identity formation has been described by Finnish cultural geographer Anssi Paasi (1986) in his theory of the institutionalisation of regions. In his view, regionalisation takes place in combination of three shapes: territorial, symbolic and institutional, forming on the course of historic development the identity of the region and the territorial consciousness of its people. When established, the region will achieve its status within a territorial system, and people living there will make a clear distinction between "we" and "they".

The new and emerging institutions involve active people and social groups and form the thick structure we called "institutional cake". This nest of relations, friendships, business contacts, and common values establishes a milieu that might be either positive or negative towards business development or innovations. The strengthening regional consciousness of people turns the region into a *genius loci* – a holy, spiritual place (but also a region or a nation) for people. Common emotional space and the *Genre de vie* in Vidalian rhetoric (common lifestyle) binds people to their region and works as a considerable out-migration barrier.

For many, the idea of one's own region becomes the main target of self-fulfilment for the personality willing to take responsibility and leadership in community actions. The regional consciousness and collective feeling of people works additionally as an accelerator of institutional and collective learning and personal development.

Involvement of the public in the development process has become mainstream in regional planning over the last twenty years. The rising complexity of society, the continuously improving educational level of people and the availability of information via ITC have limited traditional top-down planning practices and largely extended collective negotiation and communication in planning, which has been called communicative, transactive (Friedmann 1973), participatory and/or collaborative (Healey 1997) planning.

The empowerment of disadvantaged people and regions may take place through careful identity building and their involvement in socially and politically relevant actions (Friedmann 1992). Internal capacity building is the key feature of proactive governance. It can be

achieved through open planning processes, sharing visions and strengthening we-feeling. Positively minded and open regional identity can be seen in its own turn as an important resource in a rising social capital, involving investment capital, new entrepreneurs and people as taxpayers living in a region.

So, despite globalisation, places and regions still matter (Scott 1994), and territory remains a significant component in the organisation of economic (Dicken 1998), social and cultural activities. Even a business guru like Peter Drucker (1993) stresses the importance of local roots and community (what he called “tribalism”) in a globalising world. People just need to define themselves in terms they can understand and feel themselves members of their community. And planners should keep this in their minds.

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