Territorial Governance and Area Image

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Abstract
The image of a region or a city is an emerging topic in most debates about economic development strategies at the local and national level.

Local and national policies of innovation which form an essential part of modern policies of local development are less and less an expression of government and increasingly an exercise of governance.

The concept that allows best to describe and understand the practical meaning and implications of governance is 'policy network'.

The establishment, selection and retention of relationships with other actors within policy-networks constitutes the essence of policy-making.

Keywords: Territorial Governance; Territorial Government; Policy-Network; Cognitive Dimensions of Policy-Making; Area Image; Area Branding

1. Introduction
The image of a region or a city is an emerging topic in most debates about economic development strategies at the local and regional level. Image is mostly considered an element of area marketing—a very fashionable item in contemporary policy approaches and instrumental to define communication strategies¹. Like with products and services, however, image is never (only) the outcome of ad hoc activities, but it conveys and translates in strategic terms both the actual achievements and the predominant vision regarding the future.

Starting from this consideration, in this paper we intend to develop some preliminary arguments to include image in the toolbox of innovation and development policies, therefore departing from the most common marketing-based interpretation. This does not necessarily mean ‘forgetting all about marketing’. On the contrary, we advocate a more consistent and less amateurish use of marketing concepts than can be presently observed, especially in the practice of area marketing.

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After having underlined the importance of the cognitive aspect of policies as seen from a governance point of view and the meaning of the metaphor which is inherent in area marketing, we will further investigate the political meaning of the image of an area, in particular, two aspects of it: the relationship and the possible gap between image and reality; the possible coexistence and competition between various images.

2. Governance and the Cognitive Dimensions of Policy-Making

Local and regional policies of innovation which form an essential part of modern policies of local development are less and less an expression of government and increasingly an exercise of governance, adopting its philosophy and instruments. By the term ‘governance’ we mean a variety of guidance mechanisms, not necessarily restricted to public actors, whereby social processes are consciously directed in situations of interdependence and ‘poliarchy’.

The concept that allows best to describe and understand the practical meaning and implications of governance is ‘policy network’. We define policy networks as ‘(more or less) stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes’.

The establishment, selection and retention of relationships with other actors within policy-networks constitutes the essence of policy-making.

The existence of policy networks as ‘infrastructure’ of industrial policies has been accepted by economic research for some time. It is, for example present in the literature on ‘national innovation systems’ and – possibly in a more conscious and relevant way - in the literature on the ‘regional systems of innovation’. The analysis of regional economies and in particular their innovative vigour is nowadays strongly characterized by the attempt to evaluate the degree of institutional thickness and ‘systemness’ in specific regional and local contexts.

A more operational version of this same approach is provided by the concept of ‘socio-technical constituency’. Socio-technical constituencies are defined as dynamic ensembles of technical constituents (tools, machines etc.) and social constituents (people and their values, interest groups etc.), which interact and shape each other in the course of the creation, production and diffusion (including implementation) of specific technologies. We can then identify the points of departure and the conditions which allow for the activation of a socio-technical constituency, i.e. the perception, the objectives, the actions and the resources of the actors involved in the innovation project, as well as the nature and the maturity of the technology. Furthermore we can describe the dynamics of alignment and misalignment of the various components with respect to the common objectives.

Policy networks are characterised by:

- the interdependence between the actors and the absence (or low relevance) of hierarchical relationships: inside the network the actors cannot pursue their individual objectives without using the resources of the others;
- the variety and the number of actors, each with their own set of objectives, values, perceptions, behavioral models and resources;
- the stability throughout time of the relationship between the actors: ‘Information, goals and resources are exchanged in interactions. Because these interactions are frequently repeated, processes of institutionalization occur: shared perceptions, participation patterns and interaction rules develop and are formalized. The structural and cultural features of policy networks which come about in this way influence future policy processes’;
- a role of the public actor, which is no longer hegemonic; nonetheless public actors have their own peculiar characters, assets and abilities, which often cannot be replaced by other actors (i.e. their specific tasks, resources and knowledge, political legitimacy, ability to create and manage consensus, etc.), as well their own peculiar constraints (legal and social accountability, limited possibility to select partners etc.);
- the presence of actors (for example, employers associations, university, etc.) with neither experience nor specific competencies in managing collective action, but who participate to the ‘game’ to pursue individual objectives and progressively learn the necessary ‘political’ relational know-how;
- the central role played by the interactive processes of integration between the objectives, the perceptions and the resources of the actors;
- the importance of social capital and therefore of improving the conditions for interaction between actors in the management of the policy network.
- Policy networks are therefore alternative to traditional ways of government (and, to a large extent, also to contemporary approaches of ‘new’ public management) as they fully accept the ‘weakness’ of public actors and because, through setting up ‘positive sum games’, they allow:
- to decrease the governments’ overload in both decision-making and implementation;
- to make additional and/or rare resources available (financial, political, human and relational resources);
- to activate and manage collective learning processes in situations where no consensus exists with respect to the objectives of policy, and/or uncertainty exists with regard to the appropriateness of instruments to reach the objectives.

The management of policy networks can take place at two different levels using substantially different sets of tools. On the one hand, the structure of the network can be influenced, for example, through the composition, the number of actors, its openness, the internal rules, the introduction of new actors and the exclusion of some of the present actors, etc. On the other hand, at the cognitive level, it is possible to influence the perception, the views and expectations, to anticipate the exclusion of diverging ideas and views, to facilitate interaction and to promote a common language, to induce collective reflection and to prevent cognitive lock-in etc. Therefore the toolbox of industrial and innovation policies also includes a set of ‘second generation’ policy instruments, which predominantly (although not exclusively) impact on the cognitive dimensions of local networks in the attempt to govern their evolution through the formation of perceptions and expectations. In the following pages we intend to link the ‘political’ use of the image of an area to this perspective.
3. Area Marketing, beyond the Metaphor

During the past twenty years area marketing has received growing attention by regional development practitioners and – probably with more modest outcomes - from social and economic researchers. Nowadays it is an essential feature of virtually all development strategies of regions and cities and this relevance can be explained by some of the characteristics of these planning processes, namely:

- the importance of activating and managing comprehensive participative processes, assuming a certain degree of consensus regarding the long term vision and the underlying values;
- the importance - particularly in urban contexts - of some major events and of some major initiatives aimed at redesigning the territorial fabric, which induce discontinuity in the development path;
- the political and social relevance of re-tuning the image of the area during phases of industrial restructuring and reconversion;
- the importance of attractiveness to exogenous resources (companies, human resources, etc.) but also to indigenous resources which may be tempted to move away (companies, students, etc.).

In this context area marketing is proposing a metaphor. Area marketing suggests that the authority or the responsible agency should ‘sell’ a ‘product’ (that is the area, the region, the city…) to some range of actual and potential ‘customers’, among which citizens, tourists, investors etc. It also suggests to adopt (but not in an unquestioning way) the language and techniques of marketing, both operationally and in the formulation of strategy (through SWOT analyses, market segmentation etc.).

Area marketing however does not (and should not) substitute for the definition of development strategies. The old and new assets of the area, the shared development objectives, the political-institutional possibilities and opportunities are not the output, but the input for area marketing, which feeds back a methodology that is consistently and explicitly customer-oriented (i.e. focused on understanding the levels of satisfaction of the ‘users’ of the city), as well as a number of useful technicalities concerning communication, relationship management, etc.

Furthermore, adopting a area marketing approach, if pursued rigorously and coherently, and not only used as a façade, means:

- to change from a reactive (or ex-post reaction to emerging needs) to a proactive and interactive approach allowing to address and mutually adjust behavior and expectations;
- to make an effort to overcome sectoral approaches (i.e. economic, social, cultural) and to accomplish a unitary vision of local development.

Marketing provides us with a metaphor (places are not for sale!), which is extremely powerful. This is due, first of all, to the fact that it is consistent with another, wider metaphor, that is, the metaphor of the ‘market’ of opportunities for development and consequently of ‘competition between areas’, which catches, frames and translates in a modern terminology the antique conflictual perception of development which is typical of mercantilism. Area marketing may contribute to:
- abandoning a hierarchical idea of the relationship between the State and industry in favour of a cooperative approach;
- emphasizing, along with a competitive aspect, the need for a continuous commitment to excellence of the local assets;
- steering and stimulating the behavior of the various actors, drawing attention to their interdependencies;
- increasing the demand for professionalism and entrepreneurial attitudes of urban management.

To this list we can add that area marketing is also in tune with the new ideas regarding local development that pay special attention to the attractiveness of the area, in particular with regard to human resources like, for example, the ‘creative class’ à la Florida.

It is difficult to say whether area marketing is bound to be more than a temporary fashion. The old issue of the attractiveness of an area may find in the future other and more useful interpretations. As a matter of fact, both the literature and practice of area marketing are marked by important ambiguities which should not be underestimated. On the one hand, the paradigms of marketing must be adapted, e.g. because we are dealing with a ‘product’ which is by definition not easily modifiable (at least in the short term). On the other hand, the relationship between area marketing and politics appears critical, particularly where the latter is tempted to outsource to ‘professionals’ basic (and inherently political) choices which should be the input and not the output of area marketing, thereby reducing political processes (and the respective democratic guarantees) to market research and SWOT analysis. The issue of defining the image of an area clearly reflects these ambiguities and tensions.

4. The Image of the Area

The image of an area (region, city) reflects its identity. As such we are not dealing with objective, technical data, but with a social, historical and highly subjective (and sometimes even artificial) construct, which consists of the total of affective and rational images produced by individual actors or by groups of actors. These images show the values which the various groups connect to the area, to its characteristics and its identity. It is in this way that groups take possession of a geographic space, synthesizing their view of the area in stereotypes and ‘labels’ and creating ‘myths’ through the selective narration of the social, economic and historic characteristics of the area. Through selection attention is focused on those elements which support, according to a real ‘obsession’ of area marketing, the aspects of area which make it central (‘center’, ‘capital’, ‘core’, ‘gateway’) and not a peripheral or marginal location - as other elements, likewise and maybe more objectively (e.g. the geographical location), would suggest. This is likely to occur in an historic phase, like the present one, when the concept of marginality is less and less related to traditional territorial hierarchies, but to the position held in global networks. At the same time, selective narrations may be made of embarrassed ‘silences’, that tend to hide the dark, problematic sides of the area. As a matter of fact, this may turn out to be inopportune.
or even damaging: faked, business-friendly and technocratic stereotypes are rarely able to hide for long the reality of social exclusion, malaise and antagonism or environmental problems. In sum, we are not dealing in most case with technical matters, but with issues which are undoubtedly of a political nature.

We distinguish between two aspects of the image of an area: an evaluative component which reflects our experiences and what we perceive as real, and a preferential component which portrays the desires and motivations, in short, what we wish the area to be like\textsuperscript{13}. Of course these two images are often mixed. A classical image of a local production system (the ‘valley’) can portray either a consolidated outcome (‘Silicon Valley’) or the planned outcome of an intentional policy strategy (‘Silicon Glen’) or a more uncertain vision of a possibly far-away future (‘Arnavalley’, ‘Etnavalley’).

As marketing teaches us, image is bound to have important effects which can be dangerous when they are not monitored or when they are not dealt with. Even though image can also be considered not to be a policy instrument, it will nevertheless have policy effects because image:
- reflects and synthesizes the experiences of individuals, from which it derives;
- communicates and shapes expectations with respect to what the area can or should give to individuals. This concerns not only explicit expectations (those which, even though they are not necessarily realistic, clearly define problems and solutions), but also those - much more difficult to manage - which are implicit (taken for granted or which are not subject to discussion), or even fuzzy (as they are schematic, ideological, emotional, and not based on a clear understanding of what should be done concretely and how)\textsuperscript{14};
- is a filter which influences the perception of the area, the quality of life and services, the level of development and the (individual and collective) expectations about the future. It obviously also filters communication: a positive image reinforces the credibility of messages, whereas a negative image reduces their credibility; a positive image allows to not emphasize minor problems, but can result in underestimating emerging threats, whereas a negative image on the other hand can lead to the dramatization of marginal questions but can also raise attention in time by emphasizing weak signals;
- is self-reinforcing through the activities of actors which conform to the expectations and through their subjective evaluations based on the relationship between perception and expectations (Figure 1). When an image has been consolidated, it is likely to be self-fulfilling.
- In this paper we suggest two directions for research which derive from two basic observations:
- image is a product of perceptions, which are the outcome of many interacting factors but also of communication and ‘branding’ of the area which can reflect but also diverge from reality;
- image as the product of perceptions should always be linked to a certain ‘audience’: this means that different, conflicting and politically competing images can co-exist regarding the same area.
4.1 Area Branding

Image is certainly the outcome of the specific activities linked to the ‘construction’ of the image which can take place through more or less traditional communication tools, as well as through the strategic management of large events. These events may allow a larger-scale exploitation of existing assets, but they may also mark an intentional and strong discontinuity with the past (one can think of the Olympics for cities like Barcelona or Beijing, and also for Turin).

The construction of a new image is often related to making significant and strongly symbolic additions to the ‘product’ (i.e. the area), that are themselves a sign of discontinuity. An example is the opening of the Guggenheim Museum in Bilbao in 1997, which was in fact both symbolic and instrumental of a much more comprehensive operation of regeneration and modernisation of the urban infrastructure. The cultural character of the investment and its high-quality intrinsic artistic value turned it into an instant landmark erasing the picture of a grey underdeveloped city marked by traditional and heavy industries and at the same time portraying a small modern metropolis, which is service oriented and open for tourism. In the case of Bilbao the impact has been strikingly powerful and fast. Some important lessons can be drawn from this case:

- a major investment in the cultural endowments and - more plainly - in the ‘beauty’ of the city may have important returns, but the investment has to be of such a quality that is recognizable on a global scale;
- a message of change is strengthened when cultural investments also share the values of modernity, innovation, global opening and technological challenges, rather than looking at a glorious past.

The creation of an image, therefore, happens through communication, branding, etc. but most efficiently and clearly through substantial and strategically relevant operations. Marketing literature itself has always warned that ‘image is reality’, i.e. that image is determined first of all by the real qualities and characteristics of the product, of its management and of ‘the club of customers’. Therefore, applying the metaphor, we can say that the image of the area is first of all a reflection of reality:
- of the ‘product’ - area (the quality of life and of economic development),
- of its ‘management’ (its polity and governance) and
- of its ‘club of clients’ (i.e. the various social and entrepreneurial actors which are localized in the area) (Figure 2).

Figure 2: Factors Determining the Image of an Area

It is essential to reflect on the (intentional or less intentional) coherence or incoherence between ‘image’ and ‘product’. An obvious risk is the hyperbole, which is the mediocre outcome of a superficial and propagandistic view of area marketing and of an excessive use of the rationales of communication not linked to a realistic evaluation of the real assets of the area. This way, dangerous gaps between the ‘image’ and ‘reality’ of the area emerge. The danger lies in the fact that a loss of credibility regarding the area and its prospects for development may occur within those communities of ‘clients’ which possess good channels (either formal or informal, through some kind of word-of-mouth) to share information (like tourists or large industrial investors).

In other cases, the conscious generation of this gap can be justified by the willingness to anticipate a development which has not yet been realized. The image of a area of the future (an imagined city) is constructed, towards which the energy and plans of the various local actors should be projected. In other words, image is not used to define a ‘visible’ reality, but to create an ideal situation in a reasonably nearby future, which more or less large social groups want to strive for: a ‘better’ area (city or region), more liveable and/or wealthier and/or more modern than it effectively is. The imagery therefore overlaps the vision that society and local politics envisage and to which they commit. A gap between image and reality can also emerge because a area is going through a phase of change which has not yet been completed and, therefore, its significance cannot yet be fully perceived. As a consequence the area’s evolution (the city, the region) is misunderstood. In other words, situations of political and cognitive lock-in in ‘post-paradigmatic’ areas (for example in several Italian industrial districts) can generate stereotypical images referring to historic production structures which are outdated and - which is worse - can hamper innovative dynamics which are taking place. The latter will not be recognised or will be dismissed as transitional, non credible and non reliable phenomena.

A further problem of coherence regards the image which is externally communicated and that which is internally communicated. This situation echoes a
problem, well known in marketing literature, i.e. the issue of the so-called ‘internal marketing’. Nowadays, great emphasis is placed on outward communication, in order to support the search for new potential ‘clients’: entrepreneurs interested in investing, tourists interested in visiting, students interested in coming to study and all those interested in living in the area. Image is, in this case, an essential aspect of the attractiveness or the ‘investability’ of the area and plays an essential role when the ‘experience dimension’ of areas is appreciated, e.g. with respect to the ‘creative class’ which is the main character in the ‘new geography of talent’.

But image is also important when dealing with entrepreneurs which are already located in the area (those who have at least to be discouraged from looking for alternative locations), when dealing with new entrepreneurs (who have to consider the area a place where they can do business), and when dealing with citizens (in general and with specific groups of citizens like university students which were attracted by the offer of education and which can be convinced to stay at the end of their education as a resource of the area). As a matter of fact, there are at least three reasons why the internal image should be studied with particular attention: because the quality of life and the economic opportunities are perceived in a more direct and conscious way by today’s citizens; because their behavior tends to reinforce the image (it is difficult to consider ‘selling’ to the outside world an image which is not credible inside the area); because the elements which make up the internal image mainly coincide with the reasons why ‘non-citizens’ can be attracted.

4.2 The Competition between Images

What happens, however, when inside an area different and conflicting images co-exist? Different images can emerge due to some sort of ‘inertial communication’ to various audiences, that are not coordinated between each other. In the case of Tuscany, which is in many ways exemplary, it has been noticed that the ‘classic’ image, constructed around the myth of tourism hides - so to say - the many nuances of the new, industrial and technological image of the post-war era. The trio culture - craftsmanship - tourism ignores and excludes, rather than includes the process of continuous technological process and product innovation which has made the region competitive.

Once again, this is no marketing technicality! At the root of these problems is the actual diversity of visions of (and political programs for) the area like, for example, the contrast between neo-industrial and post-industrial views. It is also evident that in times of transition between different production and social paradigms the various images are not only likely to coexist, but they will also compete for hegemony. The politics of territorial innovation can be seen as the competition between different possible images: it is the struggle to control the representation of the future of the area, that hides the struggle between the groups that are going to manage that same future.

As an example, we generalize the outcomes of a recent analysis and suggest that, in times of paradigmatic transformation, three social groups (and three corresponding images) may compete:

- The visionaries express the urgency of a new planned impulse for development and push for innovative approaches, to which they are sincerely and personally
willing to commit. Their ‘enemies’ are provincialism, cognitive closure, relational narrow-mindedness as well as the lack of entrepreneurialism in society and in the economy. From an evaluative point of view, the current image of the area they depict is ridden of critical factors: from demographic decline and cultural marginality to de-industrialization and the impoverishment and homogenisation of commercial functions. Their hopes are vested in the new energies, in new emerging actors and in actors which can emerge in the future. They are willing to recognise new actors, but they also complain about the incapacity of the local community and of its political and economic leadership to make strong choices. Their discourse is about hidden potentials and unfulfilled expectations. The linkage between new technologies, internationalization, service sector, university/research and development perspectives is felt strongly also in purely economic terms, but those are also the ingredients of the desired ‘new image’ of the area.;

- The surrendered actors in principle share a pride in the identity of area and are aware of some tacit potential which could lead to an increase in the quality of economic and social development. In all, they are overwhelmed by the disappointments they experienced in the past and their discourse is characterized by regretful listings of missed opportunities. They often indulge in a priori pessimism and skepticism with regard to the new initiatives which are proposed. Their views are rooted in a narration of unrealized projects and failed dreams. Failure is attributed to the inadequacy of local leaders, but often goes as far as to include anthropological and cultural reasons: mediocre entrepreneurial spirit, incapacity to cooperate, individualism, parochialism etc. They are doubtful about increasing internationalization and they are not ready to bet on new sectors of the economy. Rather, they re-propose traditional development models. In all, they dislike discontinuity. Much can be done by ‘letting things really work’ through important, but basically incremental improvements: inefficiencies have to be overcome, existing resources have to be exploited. The road to development has to be ‘realistic’ and pragmatic and should consist of many ‘small things that can be improved’.

- The fearful ones go beyond pessimism. They are in a defensive mood, because they perceive the area as one that has lost control of its destiny. It has become incomprehensible, too complex, too difficult, too different from the old days, and too dangerous to them. Openness to the outside world is not a virtue. When looking at the inflows of immigrants (people, companies, institutes, norms and values etc.), they feel ‘invaded’. The perception of degradation of social life dominates. But not only the invasion by the unknown (typically, immigrant workers) creates worries. Also tourists and students can be considered ‘invaders’: they do not bring wealth, but they ‘consume’ the city and its area. The city and its area are seen as abandoned, dirty, not taken care of, inhabited by new criminals and pickpockets, neighborhoods are at risk, traffic is out of control and dangerous and public transportation is inefficient. The fearful ‘live on the defence’.
5. Concluding Remarks

Further research can be developed, starting from this preliminary work:
- on the one hand, it is worth to further clarify the connection between image and the ‘second generation’ toolbox, both theoretically (by better defining the nature of policies based on cognitive dimensions) and operationally (when and how image is or should be a priority for policy-makers);
- on the other hand, a systematic analysis should yield a better understanding of the influence of area image on entrepreneurs, social and institutional actors etc. and of the nature of the gap between image and reality.

From the methodological point of view, this work in progress supports the idea that a consistent and cautious use of marketing concepts is certainly useful for policy design and policy analysis and that much work can still be done in this direction. However, this is not the same as supporting the ambition of some marketing scholars and practitioners to establish a new field of marketing application within regional strategic planning. This ambition is presently fed (in Italy and elsewhere) by the enthusiasm of many politicians and by the consequent availability of funds and consultancy opportunities. Yet we should all be aware that the intellectual (and ideological) foundation for this can only lay in some sort of recognition of ‘market’ as an effective (and desirable) paradigm to explain also social and political phenomena. Only if we have markets, then we have marketing. When we push the use of market and marketing beyond the border line of an instrumental and metaphoric discourse, we are required – to say the least - to explicitly recognize the serious theoretical implications and to take full intellectual responsibility for this choice.

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**Notes**


15 Stopford J. 2000, L’attrazione degli investimenti e le regole dell’economia della conoscenza, in Bellini 2000, *op. cit.*.


19 We refer to a survey, coordinated by the author of this paper, analyzing the image of a small city in Central Italy.