
Editorial

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In a knowledge-based society, creativity, innovation and technological progress are the key factors of economic development. Creativity refers to the capacity of individuals (human capital), groups and organisations (particularly firms), and cities and regions (creative milieu). Innovation and technological progress are a source of entrepreneurial opportunity (new firm formation or market expansion), while entrepreneurship is the real engine of economic growth. Creativity, innovation and technological progress need transmission channels and networks and this need induces, on the one hand, an increasing mobility of inventors and innovators in a geographical context, and on the other hand, an increasingly important role of ICT in long-distance relations. Therefore, in a knowledge-based economy, innovative resources of development include:

- innovative people
- innovative activities
- an innovative milieu.

This special issue of the *International Journal of Foresight and Innovation Policy* addresses innovative business resources in economic development. The issue includes a coherent set of papers of which earlier versions were presented in 2008 and 2009 in Amsterdam, The Netherlands, at two successive International Workshops on ‘Creative, Intellectual and Entrepreneurial Resources for Regional Development: Analysis and Policy’, organised by the Tinbergen Institute, Amsterdam; School of Public Policy, George Mason University, Virginia; the ARC Research Network in Spatially Integrated Social Science, Brisbane. These international workshops aimed to address modern theories and concepts relating to research on creative and innovative business resources in economic development and to illustrate the application of a broad innovative business resources approach with reference to human capital, critical factors in business performance and support systems for regional development. The present collection provides a valuable overview and introduction to this fascinating field for academics, policy-makers, researchers and students who share a common interest in innovative business resources in economic development.

The papers of this Special Issue focus mainly on three dimensions of innovative business resources in economic development: ‘*human capital and business*’, ‘*success and failure factors in business performance*’ and ‘*support systems for regional development*’.

Human Capital and Business

Human capital plays an important role in the process of economic growth. Human capital provides, on the one hand, the necessary knowledge, skills and expertise of a workforce for economic development, and on the other hand, different thinking and doing

perspectives, working and management styles, and therefore creative, innovative and entrepreneurial approaches and a diversity of new ideas for economic development. Recent studies have provided evidence that social and cultural diversity has a positive impact on innovative activity and economic growth. Since human capital embodies knowledge and skills, and economic development depends on advances in technological and scientific knowledge, development depends on the accumulation of human capital. The effect of human capital includes its effect as labour on production, its external benefit, which spills over from one person to another, and its effect as the source and embodiment of technology innovation, technology shift and technology change. In this context, investment in human capital including education and training has been a major source of economic growth. However, from a spatial perspective, economic growth depends on the location patterns of human capital, whereas strategic factors such as size, accessibility and diversity play an important role in the economic development of cities.

The cluster on 'human capital and business' addresses these issues and comprises four papers. In the first paper, Karlsson and Backman investigate the impact of human capital on new firm formation from a spatial perspective. They focus on the factors that might influence the probability of new firm formation and they analyse the role of knowledge accessibility measured in terms of human capital accessibility and spatial economic structure for new firm formation at the municipality level in Sweden.

In a subsequent paper, Masurel and Nijkamp address the gap between universities of professional education and small- and medium-sized enterprises at the regional level and they identify the critical success conditions for bridging this gap by providing empirical evidence from a regional case study in the Netherlands.

The next paper examines the locational patterns of new graduate employment and regional economic performance. Corcoran, Stimson and Li analyse the spatial patterns in the mobility of university graduates in Australia from the place of location of the university from which they have graduated to the place of location of their first job following graduation. In addition, they examine the relationship between the attractive force of regions as measured by their share of new graduate jobs generated and the endogenous regional employment growth performance of those regions.

In the last paper of this first part, Baum and Mitchell suggest a multi-level conceptual and empirical framework for considering the ways in which an analysis of both regional- and individual-level factors might inform policy debate about employment underutilisation in a regional labour market. Their multi-level approach situates people within a regional context and raises questions regarding potential conflicts in understanding the associations that exist with regard to labour market outcomes and hence the need for different policy responses.

Success and Failure Factors in Business Performance

Economic development depends on economic performance that encompasses major social, cultural and political issues including wealth creation, quality of life and well-being. In a knowledge-based economy, economic performance depends on competition as a driver of improved productivity, and innovation as new technologies, techniques and ways of working that drive improved productivity. Recent evolutionary theories and empirical evidence show that in a competitive and innovative environment

markets are in motion, with a lot of new firms entering and leaving, while many firms are successful, and many others may fail. Therefore, the analysis of success and failure factors in business performance including the role of risk and trust in market transactions and people's behaviour is of great importance in economic analysis.

The second part of the special issue that focuses on success and failure factors in business performance addresses these issues and consists of four papers. The first paper addresses success factors from a marketing strategy perspective. Todiras, Nijkamp and Rafijevas address 'brand repositioning' and demonstrate the relevance of innovative marketing strategies on the basis of brand repositioning of mature firms to upscale markets. They emphasise that brand repositioning refers to a process that implies a strategic change in a brand's value proposition to be able to reach higher-end segments, and hence it offers an innovative approach to marketing strategies. They illustrate the importance of innovative brand strategies on the basis of two Swedish flagship industries. On the basis of previous studies, they elaborate a model that explains the concepts that serve as a building block for the repositioning process and they present a novel framework for better understanding the key dimensions of successful brand repositioning to upscale markets.

In the following paper, Latham, Le Bas, Bouklia-Hassane and Volodin investigate the relationships among an inventor's interregional mobility, productivity and patent value in three European countries including France, Germany and the UK. They analyse the ways in which the mobility of inventors is related to the inventors' productivity and to the value of their inventions, and they measure inventor mobility in three dimensions: across companies, across technologies and across regions. They especially focus on 'prolific inventors', as these are the most productive ones, and they offer a systematic analysis of the relationships among mobility, productivity and value for prolific inventors.

The next paper examines entrepreneurship in technological regimes from a spatial perspective. Cader and Leatherman evaluate entrepreneurship in terms of small firm entry within a defined technological regime using regional, establishment and industry characteristics in metro, metro-adjacent, and non-metro regions in the state of Kansas, USA. They assess the variation of entrepreneurship in technological regimes and examine the factors that are more likely to impact on levels of entrepreneurship in these regions.

In the last paper of the second part, Marinescu and Nijkamp examine the critical success and failure conditions in the IT&C field. They analyse the selected IT&C companies' performance in Romania and evaluate the causes of low-performance companies that are operating in the Information Technology (IT) sector. They design a model to extract the productivity distribution of the sector's companies, and through the statistical analysis of low-performing firms, they identify the characteristics of the IT companies with bankruptcy risk.

Support Systems for Regional Development

In a knowledge-based economy, besides human capital, innovation and technological change, economic development requires an integrated support system including both 'hard' and 'soft' infrastructure and an innovative governance system in which institutions and organisations can actively cooperate. Such a support system requires a well-developed physical infrastructure (accessibility, telecommunication services, office spaces, etc.), a high quality and attractive living environment (cultural richness and

tolerance of alternative lifestyles or diversity), education and social support systems, research resources and the support of networks and marketing, and innovative policies. Such a support system requires also strong linkages between urban and rural areas, between creative/innovative sectors and traditional sectors, and between knowledge institutions, industry and government. Implementation of R&D and innovative systems in traditional sectors such as agriculture and creative initiatives emerge from small settlements, while also rural areas play an important role in supporting regional development.

The third part of the special issue addresses support systems for regional development and consists of five papers. In the first paper, Qian and Stough address the effect of social diversity on regional innovation. They discuss the measures of social diversity in the literature and compare two key measures of social diversity: the gay index and the country of birth index. While examining the correlation between these two indexes, they compare their effects on regional innovation using US state-level data.

The second paper by Couclelis evaluates risky business while addressing climate control legislation, regional development uncertainties and California's SB 375 law. Arguing that climate control legislation introduces additional layers of uncertainty into the decision environment of entrepreneurs and governments, Couclelis explores the nature of these added uncertainties and their implications for decision-making. She underlines the need for new and creative approaches to handle this novel kind of decision environment and suggests two promising methodologies: Assumption-Based Planning and Robust Adaptive Planning developed by RAND Corporation as an effective approach to the challenges of highly uncertain futures.

The next paper addresses the 'rural creative capacity'. Akgün, Baycan and Nijkamp draw attention to recent changes and the increasing attractiveness of rural regions, discuss the great potential of rural areas and underline the need for a rural-specific approach, as urban-specific creativity theories and methods underestimate the creative capacity of rural regions. They examine rural creative capacity on the basis of a comparative analysis of European (*The Most Beautiful Villages in Belgium, France and Italy*) and Turkish rural regions and they identify the levels of rural creative capacity in these regions. Finally, they highlight the critical creative capacity components for sustainable rural development.

Sorensen, in the following paper, investigates the creative and innovative dimensions of the Australian agriculture system to explore how they diverge from conventional geographical models of the creative economy. With a focus on rural environment, Sorensen highlights the different dynamics of creativity and innovation, which is a neglected area of research within the field of creativity studies.

The final paper addresses the different types of proximity and aims to understand the role of proximity during long-distance collaborative projects. To better understand the relations of proximity that may develop between distant firms that work together, Torre analyses the respective role of ICT-based exchanges and of those that are made during face-to-face interactions, in cooperation between firms engaged in long-distance collaborations. Torre first presents the notions of Geographical Proximity and Organised Proximity, then introduces the notion of Temporary Geographical Proximity, which corresponds to the possibility of fulfilling the needs for face-to-face contact between actors by travelling between different locations, and finally presents the elements of the dynamics of long-distance collaboration relations.

The collection of papers in this special issue provides important insights into the ongoing transformation in innovative business environments. An important conclusion from the papers in this special issue is that the research in the field of innovative business resources does significantly contribute to a better understanding of the complexity of the issue concerned and is able to develop relevant and sustainable policies for economic development. Clearly, there are many challenges left for academics, entrepreneurs, policy-makers and supporting institutions.