



THE UNIVERSITY OF
MELBOURNE

Growing Resilient Coal Regions?

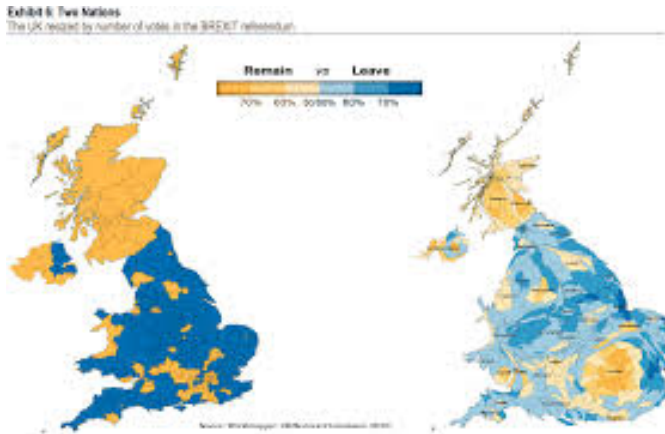
The Gippsland Smart Specialisation Strategy

Lars Coenen & Leo Goedegebuure

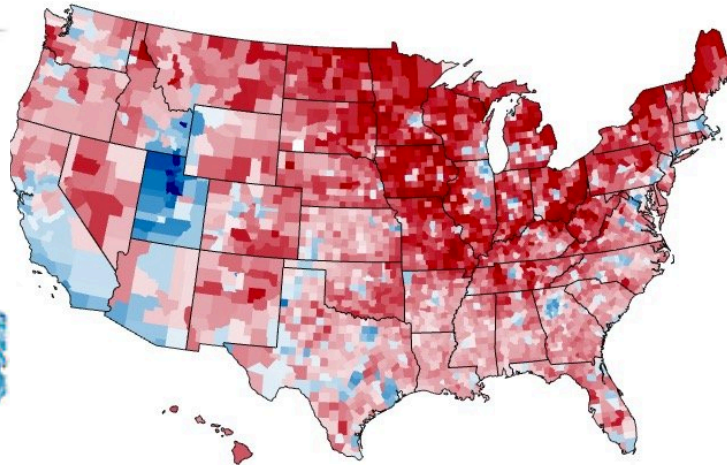
FLINDERS STREET STATION

Revenge of the places that don't matter - Rodriguez-Pose (2018)

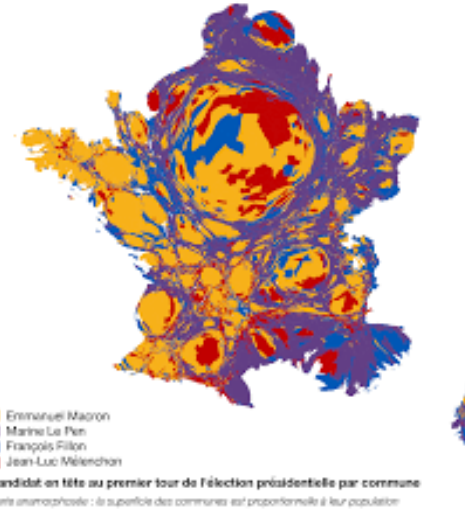
Brexit 2016



USA Trump swing 2016



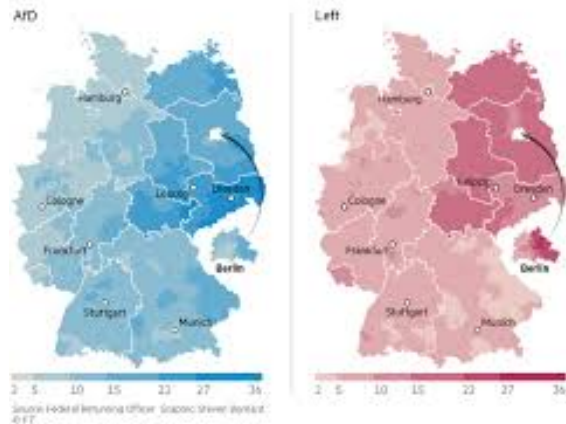
France first round 2016



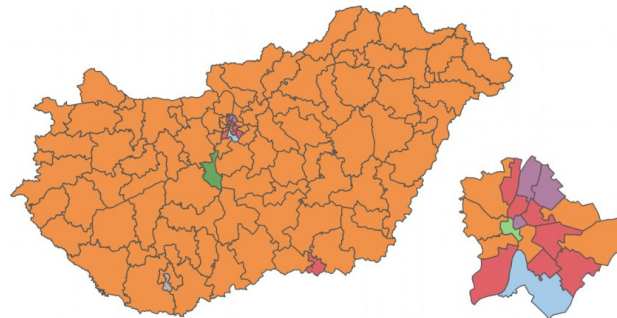
Germany 2017

AfD and Left are strongest in the east

Share of the party vote (%)



Hungary 2018



Italy 2018

Italy election results

% of votes in the lower chamber*





The revenge of the places that don't matter?

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Opinion
Australian election 2019

@economy_next
Fri 24 May 2019 04:00 AEST

1,133 1,787

It's easy to dismiss Queenslanders as coal-addicted bogans, but it's more complex than that

Amanda Cahill

Everyone loses when we sideline the people at the forefront of the transition to a zero-emissions economy



▲ The biggest myth that needs busting is the notion that coal communities aren't interested in or aware of the transition to low-carbon solutions. Photograph: Daniel Minnor/Raifare

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OPINION

Election 2019: What happened to the climate change vote we heard about?

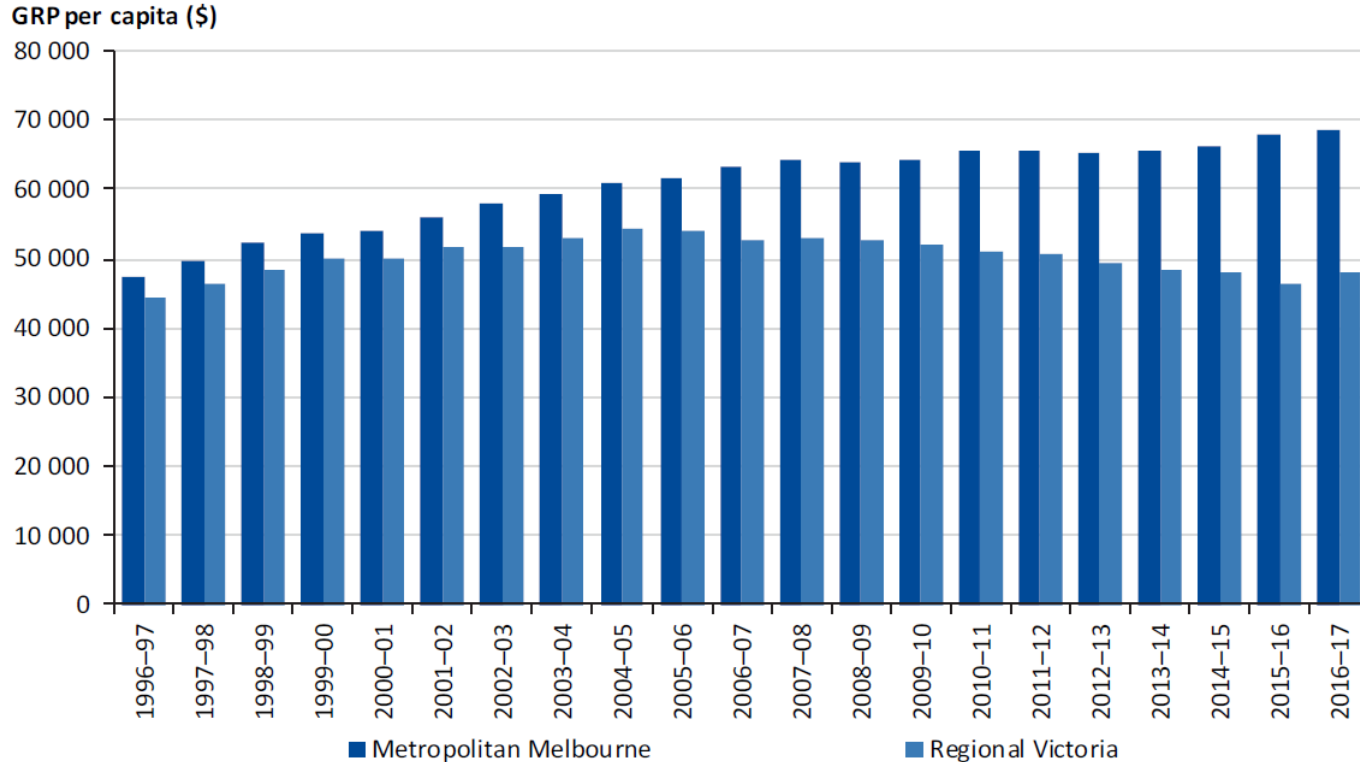
By Matt McDonald
Updated 20 May 2019, 9:33am





Widening polarisation between urban and regional

Annual GRP growth per person in regional Victoria and metropolitan Melbourne

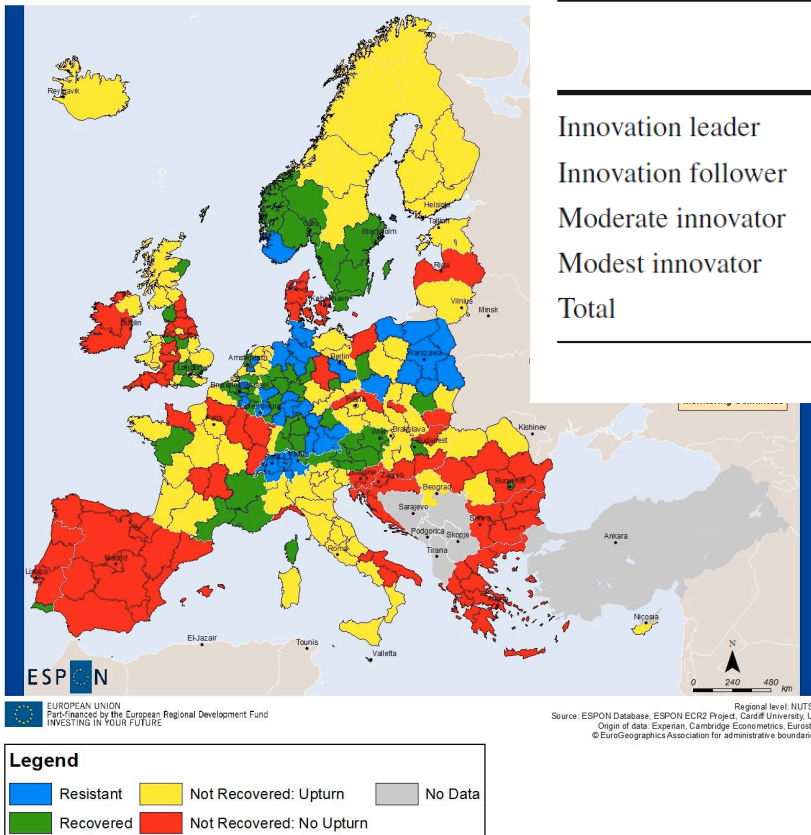


Source: VAGO, based on RDV's public information portal.

Resilient regions

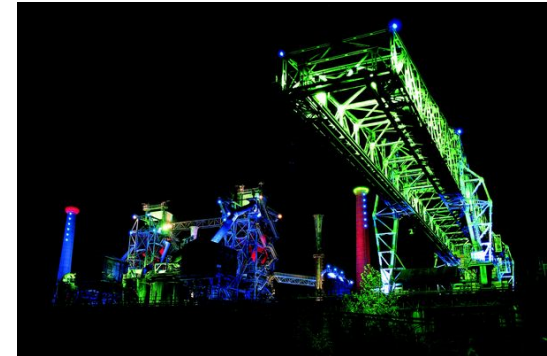
Table 4 Regional outcomes excluding Polish regions

	Resistant	Recovered	Not recovered (upturn)	Not recovered (no upturn)
Innovation leader	291.4	222.0	83.3	8.8
Innovation follower	115.3	98.8	111.4	83.8
Moderate innovator	0	74.7	118.3	111.0
Modest innovator	0	13.1	78.8	200.5
Total	100	100	100	100

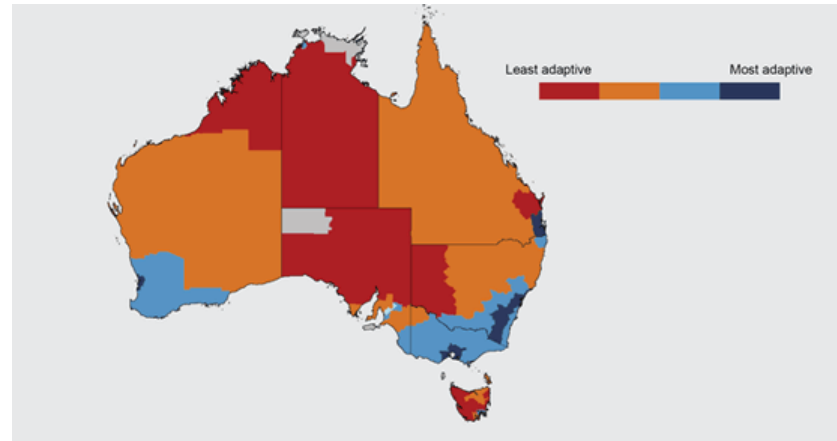




Restructuring the Ruhr (D)



Regional policy in Australia



- Dual economy: regions are understood to be the places beyond, and separate from the (thriving) capital cities (Eversole, 2017)
- Fractional and competing multi-level governance: 'Australian governments don't work with each other and it's holding back regional economies in trouble' (Beer, 2018)
- The challenges of Australian cities and regions have tended to be viewed in Australia in terms of infrastructure deficiencies rather than in relation to potential innovation assets (Tomaney, 2012)



Australia's 'innovation policy'



...We want an Australia counted within the top tier of innovation nations, known and respected for its excellence in science, research and commercialisation...



But is essentially place-blind

And seems primarily concerned with the optimal level of R&D rebate

Hazelwood and Latrobe Valley

A coal and energy transition region: privatisation in 1990s, and then closure of Engie electricity plant, March 2017



State of Victoria \$224 million of funding

\$50 million: establishment of an economic growth zone (tax concessions)

\$174 million: community infrastructure and investment fund (in road, rail, school upgrades, and the construction of health facilities)

Latrobe Valley Authority



Smart Specialisation: a short history

Origins in European regional technology policy (Fitjar et al., 2019)

- 1950-1980s exogenous growth theory, focusing on creating growth poles in less successful regions to create regional multiplier effects
- Regional Technology Plan experiment in 1989: Regional partners would identify gaps in regional technology networks and identify structural funds projects that could help local firms access those technologies
- Structural funds reform in 2007: Shift towards innovation, requiring all regions to develop innovation strategies for access to EU funding
- These policies tended to concentrate funding towards high-tech regions and to promote uniformity as all regions aimed to attract the same high-tech clusters
- Smart specialisation (from 2014) as an attempt to redress this, forcing regions to identify areas where they could build competitive advantage
- World's largest and boldest New Industrial Policy experiment (Sabel, Hausmann, Rodrik, Mazzucato)



The smart specialisation ‘manual’

Design principles for S3

- **ANALYSIS:** discovery of the socio-economic and innovation engines of regional growth, competitive advantages & weaknesses
- **MAKE CHOICES:** identify a limited set of priorities for development where to concentrate investment
- **STAKEHOLDERS' INVOLVEMENT:** setting priorities should be an inclusive and interactive process centred on entrepreneurial discovery
- **MONITORING AND EVALUATION:** feeding back information into the policy cycle and allowing strategy revision

Yet, its implementation is bedevilled by a set of heroic assumptions (Marques and Morgan, 2018), most notably the ‘innovation paradox’ of less developed regions



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Thank you

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Upcoming seminars

Tiffany Harrison: Climate Emergency: The Role of Local Government in Tackling Climate Change (co-hosted with BZE), Mon 3 June (6.30pm) @ Fritz Loewe

Rachelle Meyer: Achieving Net Negative Emissions in a Productive Agricultural Sector: A Review of Emissions Sources and Mitigation Options, Wed 5 June (11am) @ College