CONCEPT-DRIVEN DEVELOPMENT PROCESSES

This paper is based on a study of the development of industrial strategy in the Øresund Region. The empirical foundation is a longitudinal study of the various industrial activities carried out in the Øresund Region, combined with comparative studies of two other transnational regions; the Hong Kong-Guangdong (HKG) region, and the Singapore-Johor-Riau (SIJORI) region in Southeast Asia. A full account of this study, which identified and described three important aspects of industrial regionalization—the market-, policy-, and concept-driven processes—is given in my Ph.D. dissertation (Boye 1999).

This paper, which will focus on the “social construction” of the new industrial structure in the Øresund Region, is divided into four parts. The first part outlines the character of the industrial integration process in the Øresund Region, and describes the anatomy of the regional concepts used in the social construction process. The second part views the regional industrial development as a collective strategic process. Then the paper turns to an analysis of the various ways in which concepts, in competition and collaboration with each other, lay the foundation for an industrial strategic platform. The last part of the paper is a brief description of the character of the platform emerging from such a process.

Market-, policy-, and concept-driven change processes


*The market-driven development process*, which seems to be the predominant mode in Hong Kong, is based on resource complementarities—for example, a factor market with heterogeneity in demand and supply among actors in different subregions. If left to natural market forces, this will develop a high degree of economic linkages among the subregions. Such economic linkages between regions can take several forms, including: investment flows; flows of labor, skill, and technological know-how; commodity/service flows through vertical value chain linkages or general trades through market transactions; and flows of household and tourist consumption spending.

---

1 Author: Petter Boye (Econ. Dr.) TCG Cepro, Klara Norra Kyrkogata 34, 101 28 STOCKHOLM, Sweden. Tel: +46 703 34 33 44, E-mail petter.boye@cepro.se
In an ideal situation, the establishment of these linkages through free-market competitive forces would cause allocations of resources to be optimized, resulting in net welfare gains from the efficient exploitation of resource complementarity and agglomeration economies (Barney and Ouchi 1986). This exploitation, by actors trying to maximize their profit through rational calculation, will include vertical specialization across the border, giving economies of scale and scope\(^2\) (Chandler 1990, Milgrom and Roberts 1992).

The policy-driven development process, which to a high degree seems to characterize the Sijori region, is based on government regulations and government policy regimes. Consequently, inter-regional economic linkages may fail to develop fully or at all. The process is initiated by or pursued according to a vision usually expressed in a written contract or document. Usually a course or principle of action is adopted or proposed by the government, following a previous decision or agreement, committing it to participate in the process as a facilitator. This political intention or plan generally includes facilitating cross-border flows of investments, labor, finance, and goods; or the provision of adequate infrastructure for transport and communication, as well as promoting investment in the region, including reducing the political risk involved. Due to the critical role of the government, this aspect of regionalization processes can also be seen as a government-driven integration process.

The concept-driven development process, which is particularly visible in the Øresund Region, is based on one or more abstract ideas or general notions held by the dominant coalitions in the region. Such images or regional definitions are utilized to give the region an identity or image in order to create a favorable position in the international arena and attract investors to the region. Popular regional concepts or identities usually have a functional approach to an international arena, such as seeing regions as: competence centers, infrastructure and communication hubs and gateways, potential home markets, etc. Concepts are commonly used to communicate an idea or mental picture, trying to justify the allocation of additional resources, feeding a further integration process. Often it seems as if the regionalization process in the Øresund Region is driven by multiple competing concepts which, in turn, vary during the process.

A summary of the differences between the various approaches is shown in Table 1 on the next page.

---

\(^2\) Economies of scope can be achieved by locating different parts of a value chain, which often requires different mixes of factors, in different locations which have the appropriate factor endowments. Economies of scale can be achieved either in distribution, financial, and business services or in public infrastructure networks, such as telecommunications and transportation facilities.
Table 1: The characteristics of the three development processes (Boye, 1997).

<table>
<thead>
<tr>
<th></th>
<th>Market-driven</th>
<th>Policy-driven</th>
<th>Concept-driven</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who</strong> (Which actor)</td>
<td>Companies</td>
<td>“Top down” Government etc.</td>
<td>Multiple stakeholders</td>
</tr>
<tr>
<td><strong>What</strong></td>
<td>Factor prices</td>
<td>Constitutions</td>
<td>Images/Visions/Abstract ideas</td>
</tr>
<tr>
<td><strong>Why</strong></td>
<td>Profit-driven exchange</td>
<td>Position/Power/ Legitimacy</td>
<td>Profile/Image Legitimacy</td>
</tr>
<tr>
<td><strong>How</strong> (“Mode” of control)</td>
<td>Action (Rational decisions)</td>
<td>Planned decision processes</td>
<td>Definition (Through “talk” and negotiation)</td>
</tr>
<tr>
<td><strong>When</strong> (Hypothesis)</td>
<td>Heterogeneous factor markets Low barriers (Institutional)</td>
<td>Dominating government</td>
<td>Weak integrating market forces Many interest organizations (incl. government) Strong democracy → No policy possible</td>
</tr>
</tbody>
</table>

These are all processes aimed at increased interaction. However, unlike the market-driven process, which is mainly based on the activities of companies, and the policy-driven process, which to a great extent depends on the government’s intentions and actions, the concept-driven process involves a mix of significant institutional agents. Different organizational actors, such as local authorities, firms, labor market organizations, educational and research organizations, have their own intentions and activities, and this influences the formation of the industrial region.

**The anatomy of regional concepts**

Over a hundred mission and vision documents dealing with an Øresund Region have been identified. However, only a few of these visions seem to have been able to attract people’s attention and grow stronger, thus favoring further action in line with that particular vision.

Some of these visions are more elaborate, and outline a distinct role or function for the region in a particular business or industrial context. These “region concepts” span from concepts developed to position the region in its geopolitical context (a Learning Region in Northern Europe, a Hub for the Baltic Sea, a Maritime Center located at the gateway to the Baltic Sea, etc.), to concepts based on particular competencies (such as Øresund Food Network, Medicon Valley, etc).

However, of all the mission and vision statements and region concepts proposed, just a few tend to endure, while others fade away. Strong region concepts, on the other hand, seem to survive, and serve as a trigger for action. These powerful concepts or cognitive frames are crucial to the
constitution of the Øresund Region—the region, as a concept, becomes the soil of the region itself. At the same time, the Øresund Region becomes a stage for new concepts which, in turn, will trigger off further action and development in the region. There are a great many competing concepts in the arena. They are the key elements—the essence—of the platform for action. Some of these region concepts tend to become institutionalized. These institutionalized concepts also incorporate values and norms as well as enforcement mechanisms, such as incentives and sanctions. They do not merely have a crucial role in terms of guiding the development of an Øresund Region, but they also have a persuasive effect on industry-related activity within the Øresund area. Old concepts in a way generate new ones, and as a consequence, this emerging region, based on regional industrial concepts, could encourage the creation of new concepts, thus giving new meaning to the region.

A closer analysis of the different regional concepts reveals that the concepts that survive seem to contain five elements. To start with—as concepts—they are metaphorically rich, giving a vivid impression of the core ideas in the concept. This implies, for example, the use of picturesque language in outlining the concept, as well as symbols and metaphors for the key idea behind the concept, for example, “hub,” “gateway,” “bridge,” “valley,” “nexus” or “link.” It is interesting to note how many of these metaphors allude to different forms of spatial clustering. The key idea here is to establish cognitive frames that “logically” and persuasively leads one’s thoughts and associations in certain directions. This is often supported by “theoretical” arguments, using concepts such as economies of scale and scope, the notion of industrial clusters and core competencies, learning regions, and so on.

Another element often contained in the concept is its positioning in a geopolitical context, such as; “Northern Europe,” “Scandinavia,” “The Baltic Sea Region,” or even the positioning in a global context in terms of “international competencies” or “global competitiveness.” Embedding the concepts in a wider competitive context of, for example, international regionalization (this is especially evident within the EU) also relates the region to potential “competitor” and “customer” markets.

A third element characterizing many of the region concepts is that they are based on existing local competencies, in terms of industry (e.g. “food industry,” “medico-tech industry” etc), trade (e.g. “transport hub,” “maritime center” etc.) or service (“digital university” etc). This makes the concept credible, and secures adequate support in the region. But it is not only the “hard” competencies that are counted, but also those related to values, norms, and regulative institutions. The choice of the “Human Capital” as the brand concept actually indicates that “soft” competencies are considered to be particularly important in the Øresund Region.

The fourth element is the use of legitimating analogies in the description of the concepts. Frequently this takes the form of comparisons or analogies to existing prosperous and growing regions or metropolitan areas (e.g., the San Francisco Bay Area, Silicon Valley, Hong Kong, Singapore, or the Boston-Cambridge region in Massachusetts) which, in a way, are expressions of collectively valued standards.

Finally, regional concepts also contain references to supportive agents and agencies in the region. The inscription of firms, labor market organizations, universities, government agencies, etc. not only as supporters, but also as partners in the various concepts, strongly supports the case made.
A good example of the above is the “Medicon Valley” concept, which incorporates all of the above components. It is linked to the competence concentration of the medical industry, major hospitals, and universities in the Øresund area. It relates to theoretical frames in terms of knowledge bases and core competencies. It refers to Silicon Valley in California, and the analogy with its growing IT industry. The concept also includes the word “valley,” which is related to the symbolic reality (Pondy 1983) typical of a metaphor. Even though the landscape surrounding the Øresund region is totally flat, the metaphor and analogy make the concept open to various associations and interpretations (see the discussion of metaphors and concepts in Boye 1999).

The evolution of region concepts

One can also note an interesting development of the concepts over the years. Several region concepts emphasizing the importance of physical resources in the form of infrastructure have been discussed throughout the history of the Øresund Region. Ever since the first bridge and tunnel plans a hundred years ago, the idea of the Øresund region as a link has prevailed. In the 1960s, the big issue was the location of a physical link. At the beginning of the 1990s, the link idea developed further. The Øresund Region as, for example, a gateway to the Baltics (The Øresund Region: A Baltic Gateway 1992) was frequently argued. A difference between Swedish and Danish interests could also be noticed. Swedes argued for a (transport) link to Europe, while Danes wanted a greater home market. In all these concepts the Øresund Bridge played a pivotal role.

Region concepts based on research and higher education have developed in a similar way, but much later in the process. They started to take shape in the early 1990s, in concepts such as “the bridge of knowledge” in 1991, “the intellectual bridge” in 1993, “the virtual university” in 1996 and “the research and science region” in 1998. In the institutionalization process in line with these concepts, several organizations have emerged, for example, the Scandinavian Academy of Management Studies in 1992, the cooperative university network SULK in 1994, the Food Academy in 1995, the Medicon Valley Academy in 1996 and Øresund University in 1997. The region concepts currently introduced in the regionalization process primarily emphasize the importance of knowledge and competence as a base for competitiveness. These new concepts are especially interesting in light of today’s rather limited cross-border integration within the region. These multiple competing concepts seem to drive the integration and regionalization process. They also tend to develop and incorporate new meanings, and some fade away and new ones emerge during the very process.

In 1997 and 1998, the infrastructure concepts developed to comprise the profile for the entire region, such as making the region a “transport center,” a “giant distribution center,” or a “maritime center.” Furthermore, the focal element of these concepts shifted from physical infrastructure to locally embedded competencies which, in this case, developed in connection with such infrastructure.

Some industrial region concepts tend to become more institutionalized than others. Such concepts incorporate cognitive frames of reference which are shared by collectives. Collective symbols, like institutionalized region concepts, tend to be used to justify past behaviors and, at the same time, to guide current ones. Persuasive concepts attract new actors and form a kind of meeting place. New interpretations, thoughts, and actions in firms and other organizations, which dissociate themselves from existing collective patterns of thought, may, if they are innovative and successful, create new collectively shared beliefs. They can thus contribute to the change and development of present industrial region concepts. This kind of collective development for region concepts is an
The institutionalization process which is likely to happen when different actors with diverse backgrounds and interests meet on a common interactive platform. As they become institutionalized, these region concepts that are socially constructed frames of reference lead to the creation of identities. For example, people identify themselves as members or nonmembers of the collective or the region.

Considering different individuals’ and organizations’ activities in the development process of the Oresund Region, timing is of the utmost importance. In order to have a significant effect on the process, these activities have to be in conformity with currently predominant region concepts—they have to be legitimate. Since concepts develop and change over time, timing is an important matter. In the Oresund case there are several examples of initiatives and activities that seem to have been introduced “too early” in the process, for example, the “Intellectual Bridge” idea in 1993, the “Oresund Business Center” in 1995, the first transnational barrier studies discussed in Boye (1999), not to mention, the early bridge and tunnel plans. A regional industrial development process like the present one requires some degree of structure and organizing in order to progress. Organizing can be seen as a process of “muddling through,” “reframing,” and “anchoring” (Czarniawska 1997a). These important aspects are interconnected and interrelated, and none of them can be left out in order to obtain collective learning.

THE STRATEGIC USE OF REGION CONCEPTS

Considering the intentions to create a new industrial region and the many institutional agents involved, the regional industrial development process can be viewed as a collective strategic process (for a further discussion of this issue see Boye 1999). Different institutional agents (e.g., firms, local authorities, labor market organizations, governments and institutes for higher education and research) act and influence the industrial regionalization through a process of negotiation. This process of negotiation is apparent in the development of multiple competing region concepts that have been identified in the Oresund regionalization process.

A collective strategic process

This paper argues that firms’ and other organizations’ perception and interpretation of their environment go through cognitive frames, including industrial recipes and definitions of their local region and competitive context. In addition, values, norms, and regulative mechanisms in society have a significant influence on how organizations act in relation to their environment. Consequently, a great many organization strategies are based on beliefs, ideas, and concepts shared by others in society. Region concepts, like the ones identified in the Oresund case, are examples of concepts framing and defining the strategic arena for local firms and other organizations.

The intentional development of industrial region concepts, which are to be shared by local organizations, can be seen as a collective strategic process that is reinforced in two ways. First, it is a collectively shared fundament for local company strategy, as industrial region concepts influence the strategies of many local firms. Even if each company has its own interpretation of, for example, the future Oresund Region’s consequences for its particular strategic arena, they tend to adopt many of the prevailing industrial region concepts into their strategic considerations. Consequently, the strategic activities of local companies form regional patterns, which further develop and strengthen the formation of an industrial region.
Second, the region development process is driven by a direct intention to create a competitive industrial region. However, this process is not the outcome of any single actor’s or organization’s intention; on the contrary, this is a collective strategic process with a multitude of participating agents, all influencing each other with their own intentions and activities. Among all the agents influencing the strategic development of the industrial region, firms are the most important ones.

As industrial region concepts are open to interpretation, the implementation and utilization of the regional industrial platform do not necessarily correspond to the intentions behind its creation process. It becomes a strategic platform where the development and utilization (implementation) processes are loosely coupled. Various agents have their own intentions, and the region concepts function as frames (of reference) for interaction and negotiation between these agents and their intentions and activities. The development of a regional industrial platform is a strategic process that is neither planned nor something that has simply emerged, but it is a process of interpretation and negotiation. Furthermore, the industrial region concepts that develop are embedded in local structures of knowledge, resources, institutions, and competencies, as well as in a geopolitical context, thus creating four strategic fundaments for regional industrial strategy.

Region concepts thus represent the action of several individuals and groups who act as part of a social activity system (the region), at the same time that they contribute to the constitution of this particular system. Different actors belong to different groups, originally from divers sectors and levels of society (e.g., industrialists, scientists, politicians, and consultants), all with different interests. Region concepts are influenced by various identities and are guided by different role-related expectations. However, it is difficult to distinguish such categories in the Øresund regionalization, since the groups are not homogeneous and individuals play several roles simultaneously, such as designers, constructors, and users. This regional industrial platform becomes the product of all the different interacting agents—a platform of interaction.

**Multi-conceptual competition**

There are no generally accepted mission or vision statements, or single region concepts guiding action in the region. The regionalization process in the Øresund Region seems rather to be driven by multiple competing region concepts which, in turn, vary during the process as different organizations and interest groups experience a window of opportunity to launch new ideas and to get their share of the cake. Several examples of this can be identified, for example, the competition between the concepts underlying the two alternative locations for the Øresund Bridge, the HH link (Elsinore–Helsingborg) and the CM link (Copenhagen–Malmö)—the “transport link idea”—and the “metropolis idea” in the 1960s. An analogous competition with regard to the region’s profile continued in the 1990s, producing concepts such as a Baltic gateway, a Nordic distribution center (1992), a new medical Silicon Valley (1992), a North European research and education center (1992), a Medicon Valley (1993), a new Bay Area (1994), an environmental capital city (1995), a maritime center (1995), a cultural bridge (1996), a Foodfarm Valley (1997), a design region (1997), a maritime development center (1998) and a knowledge and research region (1998).

One motive for political actors to engage in the launching of new region concepts seems to be to facilitate and speed up the regionalization process in a direction beneficial to the region and society at large. In this respect the Interreg II program, which started in 1996, has been influential. Of importance here is whether the concepts that have been launched on the region’s role to accumulate resources and create competitiveness in an international arena also tend to redistribute resources.
between different organizations and groups within the region. These actors and groups do not only share common beliefs and values; they also represent strong individual interests.

The utilization of regional concepts does not necessarily correspond to what was originally intended. Local authorities and other institutional agents, whose actions are inspired and influenced by prevailing region concepts, all have their own intentions. Quite often they engage in the development process in order to gain legitimacy or to obtain a favorable position in a certain context. The meaning assigned to each of these region concepts is thus rather open-ended. For example, as I have described elsewhere (Boye 1999), the Medicon Valley concept is presented as being a catalyst, an identity creator, a “technopolis,” an initiative, a vision, a complex, a geographical area, a magnet, etc. Industrial region concepts are used as mental frames for strategy development. Thus, the regional industrial platform that eventually emerges becomes a strategic fundament for firms and other local actors. Firms are starting to use the Øresund label when defining their market, for example, in different kinds of financial reports.

REGIONAL INDUSTRIAL PLATFORMS

Transnational integration as a vehicle for change

There are only a few examples in the literature that touch upon the social construction process in the discussion of functional regions. One exception, though, is Smouts (1998), who identifies three kinds of regions: the officially designed region (e.g., economic regions involving internal trade agreements and protection from outside competition), the spontaneous region (i.e., regions that have emerged as a result of, say, trade patterns) and the chosen region (e.g., people in geographical areas who choose to belong to a region for political reasons).

The development process behind the officially designed region is mainly planned, similar to what can be seen in the case of Singapore and the Riau Islands. The spontaneous region is a region that has “emerged,” similar to the Hong Kong-Guangdong regionalization. The chosen region illustrates the fact that it is possible to choose different region concepts, thus creating a suitable region as well as any kind of favorable context (see Boye 1999). In light of the development in the Øresund area and the strong collective intention to create a region, there might be a fourth kind of region, namely, the intended and negotiated region.

There are at least two ways in which transnational integration may function as a vehicle for change. First, local actors seek legitimacy by acting as agents in the integration process. The collective desire for transnational integration has legitimized a variety of activities and initiatives, such as all the “bridge-building” and “matchmaking” activities in the course of the regional development process. In other words, these activities are anchored in a shared institutionalized value system.

Second, transnational integration may enhance deinstitutionalization and collective learning. With regard to the development of integrated transnational markets, discussed by Boye (1999), and the existence of nation-specific institutional contexts, Whitley (1992: 40) points out that:

> the development of fully “transnational” corporations and market relationships which transcend national institutions seems unlikely as long as educational, financial, legal, labour market and political systems remain nationally distinct.
The immobility of social institutions is a crucial factor in the development of regional industrial platforms. However, there are pros and cons with this type of immobility. The diversity and immobility of social institutions explain why differences in the performance of firms of different countries may persist for long periods of time (Kogut 1992). Such immobile structures can aid regions in sustaining their competitive structures, and at the same time prevent them from tearing down less favorable structures. Change in a social activity system requires a "loosening up of an institutional order" (Czarniawska 1997a). A favorable regional industrial development needs some degree of deinstitutionalization, and the key to this, in the case of the Øresund Region, is transnational integration.

In the case of the Øresund regionalization there are different nation-specific institutional settings. A successful confrontation between these requires a mutual adjustment which, in turn, requires a break-away from old structures. Different business systems need to adjust to each other in the same way as individuals who conduct business with each other. There is a need to overcome such institutional barriers.

A confrontation between different regional/national institutions might enforce a break with old traditions. This may bring an opportunity for regional industrial actors to enhance their collective learning through shared group experience, collective acclimatization and translocal transferring of knowledge (Czarniawska 1997a). Transnational integration, which implies a break-away from old structures, may create a window of opportunity for new concepts to be introduced and implemented. This is an important step in a process of edification (Rorty 1980), in which actors learn to cope with new situations in an efficient way. This effect, in turn, will most certainly foster creativity as well as competitiveness in a world of rapid development and fluctuations. If this can be achieved during the continuous development of a regional industrial platform, we could end up with a more "intelligent" platform, a platform which more easily adapts to new situations.

**The strategic platform**

The transnational industrial platform in the Øresund area seems to be based on four strategic pillars, or rather "layers" of competence. First, knowledge and resource structures play a pivotal role in the strategic process of creating a new regional industrial platform (see, for example, the large number of resource area and industry studies conducted in the Øresund Region, discussed in Boye 1999). There are several similarities with the resource-based theory of strategic formulation (e.g., Wernerfelt 1984, Barney 1991, Grant 1991) in which strategy aims to enable the exploitation and upgrade the organization’s resources and capabilities in the best of ways. However, in the Øresund case the strategy process is not in the hands of a single manager or a firm. It is, as argued above, a collective strategy. But still there seems to be a shared understanding of the importance of the local resource base as a fundament for a competitive strategy.

Furthermore, locally embedded knowledge also plays an important role in the strategic development process. A case in point is the city of Malmö, which focused on the creation of new facilities for research and higher education in the late 1990s. The important issue here is the diffusion of knowledge. Research and educational institutions are expected to spread knowledge to the surrounding industrial environment. Another example in which local knowledge is emphasized is Øresund University's strategy in 1998, with the focus on the production of "new knowledge." As for the local industrial knowledge base, it is possible to view the platform (in the same way as an organization) as a “distributed” knowledge system (Tsoukas 1996), where the knowledge of the
platform is partly derived from its industrial and social setting and is continually constituted and reconstituted through the activities on the platform.

**Institutional structures** are a second strategic fundament as regional actors, seeking economies of scale and scope, take initiatives to reduce transnational barriers and harmonize nation-specific systems, which has been pointed out in, for example, the Øresund Committee’s barrier study in 1998.

A third strategic fundament is **industrial competencies**, which play a central role in many of the Øresund Region concepts that have been introduced in the late 1990s. These identified competence areas function as an input in the strategic development process in that they attract attention to and also support and legitimize the development of various region concepts. At the same time, these competence structures can also be considered the product of earlier stages of the process, as they are based on activity patterns of the very same local industrial actors. Furthermore, the industrial competence areas identified in various studies serve to give the region a certain profile.

A fourth strategic fundament is the **geopolitical context**. Several geopolitical contexts have been considered in the Øresund case. Regional resources are identified, developed, and positioned within different geopolitical contexts (e.g., Scandinavia, the EU, the Baltic Sea Area, the global arena, as discussed in Boye 1999).

**Region concepts as a platform nexus**

The region concepts not only embody both process and structure, but they also function as a nexus between the various platform layers (see Figure 1).
At the geographical layer, concepts create centers and peripheries as well as territories and borders, while at the level of knowledge and resource structures, region concepts are embedded in the cognitive structures of the platform, where the same concepts elucidate the platform. As new region concepts develop and come into use, the regional platform will undergo a change and embrace new meanings, thus fostering new ways of seeing, making sense and acting in slightly different ways than before. This can be described as a regional institutionalization process.

Thus, region concepts play a major part in the regionalization process, because they are a way of seeing and a way of thinking and making sense, and they trigger action (they are a way of acting). However, region concepts not only constitute the base for the process, they are also a product of the process in that they keep undergoing change. When actors gain new experience, new action patterns develop and new ideas evolve. The region concepts that have come into life during the Øresund regionalization tend to originate from current theories, favorable archetypes and existing local structures in a way that they become both the base and the product of the regionalization process.

These cognitive structures bring a certain degree of isomorphism to the regionalization process, which becomes visible in, for example, the use of archetypes (i.e., trying to copy successful regions without reflecting on conditional differences). There is a will among the participants in the Øresund regionalization to become like certain other—“ideal”—regions, for example, like a new Silicon Valley. Such “exemplary” regions seem to inspire regional activity. This aspect was also taken up as a risk during the Øresund research conference in 1995, where it was argued that these strong isomorphic tendencies might result in an Øresund regionalization imitating regions in other parts of the world which have developed under completely different circumstances.

Over time, strong concepts become institutionalized and taken for granted. They become so convincing that they provide a common view of what the new region is going to be like. These region concepts—on a symbolic level (see the discussion of metaphors and concepts by Boye 1999)—sometimes bridge divergent (e.g., nation-specific) normative and regulative institutional structures on other platform levels. Thus, it can be argued that the industrial region concepts existing in the Øresund area urge the transnational integration process onward.

Region concepts are also influenced by values and norms, for example, social expectations of what the region will look like in the future. These expectations, in addition to cognitive structures, influence the way in which people participating in the regional development process act. Region concepts also relate to the regulative structures, for example, as they tend to influence local means of control in the form of harmonization of national tax policies and labor market regulations, such as different rules for job certification and social security.

Region concepts relate to the layer of resources and knowledge structures, as various region concepts support the formation of teams of resources and the development of shared knowledge. Region concepts, finally, relate to the layer of collective competencies, as such local competencies are used in region concepts in order to give them legitimacy, and at the same time give the region a profile and a “name” (see, for example, Medicon Valley or Foodfarm Valley).

Region concepts thus organize local activities. The capability of the platform is the outcome of knowledge integration (see Grant 1996) through the social activities of local actors. These activities, in turn, are embedded and formed in a context of role-related social expectations (normative
institutions), mental patterns and symbols (cognitive institutions) (see Tsoukas 1996), and constraints and regulations by current rules and laws (regulative institutions). These kind of social activities are possible within a local community (i.e., within spatial proximity), which enables the substantial interaction between individuals that is required.

The organizational competencies of the platform originate from the collective capability to use teams of resources in certain purposeful ways. In this way, it can be argued that region concepts become institutionalized competencies. Sometimes these collective competencies develop into sources of sustainable competitive advantage and become the core competencies of the regional industrial platform.

**COMPETING WITH CONCEPTS**

The development of regional competencies gives local industry a flexible platform, at the same time as it gives the region a distinct profile. These regional competencies concern the capability of local collectives to use constellations of resources in certain purposeful ways. Regional competencies—compared to single firm competencies—create synergies for a collective of local industry. The regional industrial platform could thus be compared to a diversified firm, which divides physical assets, external relations, and experiences in order to create new products and secure new markets (Bartlett and Ghoshal 1994). Comparisons can also be made to a corporation in which the core task is to make its different companies share activities or competencies across industry boundaries (Porter 1987) or share with resource-related industry groups (Farjoun 1994). The development of industrial region concepts is a sort of institutionalization process which creates synergies by the integration of knowledge.

Through the development of a strategic industrial platform, such regional competencies could be made explicit, thus facilitating their further development and positioning. Embedded in a setting of shared cognitive frames, values and norms, institutional agents influence this development process through their actions and intentions. Furthermore, the identification of industry clusters and local resource areas is an important step in tracing regional competencies.

The strategic issue is how to develop regional competitive competencies based on complementary resources supported by shared cognitive frames, values and norms. Consequently, this is a collective strategic process toward local industrial competitiveness and regional growth.

One way for firms to obtain sustainable competitiveness is to develop core competencies which—embedded in products and services—will create a value to customers through improved efficiency, effectiveness, and quality, and which are unique or rare compared to competitors’ competencies.

Such core competencies are created through the integration of knowledge and the development of constellations or teams of complementary resources. For a firm, these resources and knowledge are found in the local environment, some of which are available on markets or within the firm, while others are not. Furthermore, some of these resources are tangible and articulated, which makes them easier to identify, and some are intangible or tacit, which makes them difficult to discover and trade.

The strategic capability of firms and other organizations to discover, combine, and utilize these resources is dependent on institutional structures, which influences both the organizations’ intentions and activities. Proximate institutional structures, in the form of industrial recipes and other
cognitive frames that have developed through collective experience, shape the strategic capability of firms to a major extent. At the same time, background institutional structures, in the form of nation-specific or regional cultures and traditions, supported by values and norms as well as regulations and legal systems, tend to have a strong influence on how local firms’ intentions and activities are structured and organized.

In the same way as some institutional structures support firms’ strategic capability to combine resources within the firm and in the local environment, others may instead restrict such capability. In a transnational regionalization process, such as in the Öresund region, differences between nation-specific institutional structures can form barriers to the integration of knowledge and resources. However, the reduction of cross-border barriers (e.g., by building bridges and by changed trade regulations) and the tearing down of nation-specific structures (e.g., by increased autonomy for subnational regions) could create opportunities for local firms to discover and combine new resource constellations.

Resources and capabilities that can be trajected over time but not in space, can sometimes create enduring differences in competitiveness between regions. Once established, competitiveness can be sustainable due to the fact that: (1) certain resources, especially tacit knowledge, cannot be bought, but have to be trajected over significant periods of time; (2) some constellations of resources require a critical mass or mix in order to obtain efficiency (e.g., a common language); and (3) the interconnectedness between different resources embedded in a local institutional setting is often difficult to understand, codify, or imitate for someone outside the region.

Region concepts which have developed under the influence of a large number of institutional agents play a crucial role both in facilitating and supporting the integration of local knowledge and in the formation of a collective resource base, as they provide local organizations with shared mental frames and activity patterns, thus creating a collective strategic capability. Consequently, the development and institutionalization of region concepts both trigger and stabilize the strategic development process of a competitive industrial platform, thus supporting the formation of new regional core competencies. Region concepts also contribute to the positioning of local resource constellations on the competitive arena. The Medicon Valley concept, for example, implies that the pharmaceutical and medico-technical industries in the Öresund Region have world-class R&D resources.

In the Öresund case there are several competing region concepts, all open to various interpretations, which makes them change and develop according to new experience and changes in the environment. Thus, the development and institutionalization process of an industrial region can be seen as a kind of collective learning process. As firms and other institutional agents interact, they adjust their intentions and strategic action according to prevailing region concepts and conditions in the environment, making them act and think slightly different than before, thus making it possible to sustain regional competitiveness over time.
In a regional industrial platform perspective (see Figure 2), competitiveness lies in the strategic capability to develop and position teams of complementary resources, thus creating regional core competencies. This capability depends on how activities are structured and organized and how individual knowledge is integrated through social interaction. Institutional structures, in the form of cognitive frames, norms, values, incentives, and sanctions, play an important role in structuring and organizing this social activity. Furthermore, the region concepts are important as they contribute to the crucial knowledge integration, as well as to the positioning of regional resource constellations on the competitive arena.

There are still some questions to be answered. Are there any optional developing processes of transnational industrial regions toward increased competitiveness? Are new and different platforms likely to develop as a result of variations in the configuration of the platform elements discussed above? How can this kind of process be managed?
REFERENCES


The Öresund Region – A Baltic Gateway. report on location factors in the Öresund Region. Malmö and Copenhagen: Ernst & Young, 1992.

