

NEW METROPOLITAN PERSPECTIVES 2018

THEMATIC SESSIONS - TS

TS-26

ENVIRONMENT, KNOWLEDGE AND INNOVATION, TERRITORIAL SERVICITIZATION

Keywords: Innovation, Knowledge, Environment, Complexity, Servitization

The connections between firms and manufacturing and knowledge-intensive business services (KIBS) are important in explaining the differences in competitiveness at local level. There is, however, very little literature on the subject. Therefore, the paper by Lafuente, Vaillant, Vendrell Herrero (2016) is very important as it shows how the growth of employment in a specific territory interacts strongly with servitization and how this functional link can generate virtuous cycles.

A comprehensive survey of the literature on servitization can be found in Ferran Vendrell-Herrero and James R. Wilson (2017). In this paper, the authors build an interesting taxonomy of the key contributions on servitization, by dividing the different approaches into four quadrants, where the relationship between internal analysis and external analysis is shown on the horizontal axis, and the relationship between mainstream and alternative approaches is shown on the vertical axis.

However, promoting servitization to stimulate development in lagging regions by relying on “traditional” policies may not be a good policy choice. Indeed, due to path dependence and poor response function, traditional regional policies that focus on compensating the scarce factors of production (for example capital to stimulate production investment) risk creating a Dutch disease effect, because the territory is unable to effectively absorb the additional (traditional) factor of production. Consequently, “compensatory” or “additional” regional policies end up accentuating the differences between regions due to the different response functions and which are manifested in multiple, resilient equilibriums (similar to fitness landscapes). Instead of fostering convergence, the traditional policies create underdevelopment traps (the lowest points in the fitness landscape) from which territory struggle to escape.

The session aims to advance the scientific debate on Territorial Servitization as well as to share methodological, theoretical and empirical experiences and achievements.

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