

Institution: Cardiff University
Unit of Assessment: 16A
<p>Title of case study: Regional Competitiveness and Uneven Development: Transforming the Strategies of Policymakers</p>
<p>1. Summary of the impact (indicative maximum 100 words) Research pertaining to the concept and theory of regional competitiveness has permeated economic development policymaking in the UK and overseas. Economic development policymaking has become increasingly devolved from the national level to government decision-makers at the regional, city and local level. This has required such policymakers to establish new strategies, modes of assessment, and marketing plans to facilitate and promote economic development. Cardiff's research has helped to transform the perception, activities and strategies of decision-makers through the provision of new concepts, methods and metrics for assessing regional competitiveness. The research has equipped them with the tools required to establish robust evidence-based policymaking within a knowledge economy.</p>
<p>2. Underpinning research (indicative maximum 500 words) The initial research underpinning the impact stems from work undertaken within the Centre for Advanced Studies at Cardiff University from 1997-2000 including an ESRC-funded study (value £103,000). Within the study, Professor Robert Huggins (then Senior Research Associate) developed new concepts, methodologies and measures to understand the competitiveness of regions, cities and localities. At the time there were already a number of established models for measuring competitiveness differences across nations, but there was very little research on sub-national and territorial differentials in competitiveness. Therefore, the research offered a new means of both conceptualising and measuring geographic uneven development.</p> <p>The research undertaken at Cardiff established an innovative model for benchmarking the economic performance of regions that went beyond the traditional focus of examining certain indicators and regions in isolation. Instead, the research provided the groundwork for a new form of benchmarking that draws upon an integrated suite of indicators that are comparative across regions. In particular, the regional competitiveness framework developed at Cardiff provided a tool that moved beyond a focus on single economic measures, such as Gross Domestic Product per capita, that fail to fully capture differences in the performance of economic systems across regions, or the reasons underlying these differentials.</p> <p>The competitiveness framework also provided a new means for classifying regions, which in due course allowed policymakers and analysts to identify 'competitor' and 'comparator' regions from where they may wish to seek and transfer relevant policies and economic strategies. In this respect, the research provided a basis for supporting the evolution in regional policymaking from processes that are undertaken principally on an intra-regional basis to one that integrates processes based on inter-regional learning. The research, therefore, helped set a policy agenda which recognises that whilst each region has a unique combination of competitiveness requirements, economic integration and globalisation is necessitating heightened interaction and linkage, resulting in the need for regions to increasingly pool and consolidate their competitive strengths as a means of eradicating their weaknesses.</p> <p>The initial research undertaken by Huggins was formulated as the <i>UK Competitiveness Index</i>, the first tool to provide a composite measure of the competitiveness of the UK's regions, cities and localities. After publishing the Index at Cardiff in 2000 – Huggins, R. (2000) <i>An Index of Competitiveness in the UK: Local, Regional and Global Analysis</i>, Centre for Advanced Studies, Cardiff University, Cardiff - Huggins left to commercialise the research, updating the tool and developing world and European versions. (see Background, section 4)</p> <p>Huggins returned to academia in 2005 and to Cardiff, as Professor, in 2008. Overall, his research has established 'regional competitiveness' as a new theoretical lens through which to consider the uneven economic development of places. However, as with many emerging concepts and theories, it has become one of the most keenly contested constructs within economic geography. Since his return to Cardiff, Huggins and colleagues (including Dr Hiro Izushi, Aston University and Dr Piers Thompson, Cardiff Metropolitan, then Nottingham Trent University) have contributed significantly to</p>

these debates.

3. References to the research (indicative maximum of six references)

- Huggins, R. and Izushi, R. (2013) 'Knowledge-based Development in Leading Regions across the Globe: An Exploratory Analysis of the co-Evolution of Resources, Capabilities and Outputs, *Urban Studies*, Vol. 50, No. 5, 1030-1048. DOI 10.1177/0042098012458002
- Huggins, R. and Thompson, P. (2013) 'Competitiveness and the post-regional political economy', *Local Economy*, Vol. 28, No. 7-8, 881 - 890. DOI: 10.1177/0269094213500884.
- Huggins, R. and Thompson, P. (2012) 'Well-Being and Competitiveness: Are the Two Linked at the Local Level?', *Cambridge Journal of Regions, Economy and Society*, Vol. 5, No 1, 5, 45–60. DOI 10.1093/cjres/rsr017
- Huggins, R. (2000) 'An Index of Competitiveness in the UK: Local, Regional and Global Analysis', in Lloyd-Reason, L. and Wall, S. (eds.) *Dimensions of Competitiveness: Issues and Policies*, Cheltenham, Edward Elgar. (available from HEI on request)
- Huggins, R. (1997) 'Regional Competitive Specialization: Development Agency Sector Initiatives in Wales', *Area*, Vol. 29, No. 3, 241-252. (available from HEI on request)
- Huggins, R. (1997) 'Competitiveness and the Global Region: The Role of Networking', in Simmie, J. (ed.) *Innovation, Networks and Learning Regions?*, London, Jessica Kingsley. (available from HEI on request)

4. Details of the impact (indicative maximum 750 words)

All three versions of the Index – UK, European and World – are in widespread use among policymakers seeking to develop and assess regional economic strategies.

Background to impact

In 2000, Huggins established a consultancy, Robert Huggins Associates, to commercialise his research and to introduce more products and services. The UK Competitiveness Index was updated at various points in time, with each update made available through a publicly available report and accompanying spreadsheets. Huggins, with Izushi then developed models to examine regional competitiveness from an international perspective. In 2002, the results of one project were formulated as the *World Knowledge Competitiveness Index*, with the underlying model designed as an integrated and overall benchmark of the knowledge capacity, capability and sustainability regions across the globe, and the extent to which this knowledge is translated into economic value and transferred into the wealth of the citizens of these regions. As with the UK level index, this tool has also been further developed, refined and expanded, with each new version made publicly available through a report and accompanying spreadsheets. The third model developed by Robert Huggins Associates focused on examining the competitiveness of Europe's regions and nations. This led to the establishment of the *European Competitiveness Index*, whereby competitiveness is defined as the capability of an economy to maintain increasing standards of living for those who participate in it by attracting and maintaining firms with stable or rising market shares in an activity.

Impact on UK and international policymaking

Since 2008, the research has been disseminated to a policymaker audience principally through reports containing the concepts, methodologies and metrics of the *UK Competitiveness Index*, *European Competitiveness Index* and *World Knowledge Competitiveness Index*. During this period, the reports have been downloaded from a bespoke website (www.cforic.org) 50,722 times (as of 25th October 2013). The research has also been disseminated via the media, reaching a wide range of audiences, including regional, national and supranational (principally European Commission) policymakers. For instance, the *Financial Times* published significant articles in 2008 (3 September) and 2010 (19 April). Other dissemination has occurred through presentations of the research to policymaker audiences, notably the Global Competitiveness Forum in Riyadh, Saudi Arabia (January, 2009), attended by policymakers and industry representatives.

In the UK, the research – especially that disseminated through the *UK Competitiveness Index* – has transformed the way a large number of regional and local authorities: (1) assess the economic performance of the places within their jurisdiction; (2) develop strategies and targets to improve the economic performance of these places; and (3) market and promote these places, particularly with regard to the attraction of investment. This is evidenced by the fact that since 2008 the research has appeared in the policy documentation of at least 80 regional or local authorities (or stakeholder

partnerships) in the UK. For example, in 2009, authorities in Manchester adopted the research as a key means of developing a new strategic enterprise framework for the city, in particular for establishing a rationale for focusing intervention on a particular range of activities [1]. In York, the York Economic Partnership (YEP), involving the local authority and other stakeholders, utilised the research in their 2011 documentation outlining the future economic strategy for the city. In particular, YEP used the research to provide a better understanding of the performance of the city and the strategic actions required to facilitate improvement [2]. This led to YEP developing what they termed a 'new approach' to strategic development involving multiple organisations from across the city-region.

The influence of the research has permeated across both urban and rural places. For example, Somerset County Council utilised the researchers' work within their own 2010 commissioned documentation relating specifically to the economic competitiveness of the local authority area [3]. This resulted in concrete recommendations being proposed as to how the local public sector can best support improvements to economic competitiveness in Somerset. Also in 2008, the research became an integral feature of the impact analysis of the European Social Fund Objective One Programme for Cornwall and the Isles of Scilly, with it acting as an important assessment measure of the extent to which funding impacted on the region's underlying economic performance [4]. As a result, a number of recommendations were established, including one that addressed the low participation in the knowledge economy through investments in Convergence Programmes.

Within the UK, the research has also influenced national level policymaking. In 2010, the UK Commission for Employment and Skills (UKCES) reviewed the research team's work on regional competitiveness differentials to better understand the geography of UK competitiveness, and the associated implications in terms of developing a policy agenda to raise employment and skill levels in the UK [5]. In March 2011, the UK government announced the establishment of a £100m Growth and Innovation Fund to boost investment in skills and training as means of directly addressing the competitiveness issues raised by the UKCES.

The research – principally that disseminated through the *World Knowledge Competitiveness Index* and the *European Competitiveness Index* – has had an international policy impact. In 2010, the European Commission designed and published its first EU Regional Competitiveness Index. This EC-led work drew significantly on the concepts and methodologies originally developed by the researchers, as highlighted by significant references to their work in the Commission's publication [6]. Similarly, policymakers in overseas locations have incorporated the research into their deliberations and actions. For instance, city authorities in Grand Rapids, USA utilised the concepts and measures relating to 'knowledge competitiveness' to provide a fuller understanding of the economic evolution of the city and its future prospects (2008) [7]. Other examples of international policy impact can also be cited. In 2008, the city of Helsinki drew upon the research to formulate a vision for the city, which resulted in activities to increase internationalisation and integration into the global economy [8]. In Ireland, the national development agency – Forfás – integrated the methodology and measures provided by the European Competitiveness Index within a comprehensive competitiveness benchmarking framework [9].

At the international level, the research has influenced agendas beyond regional and local development. In 2009, the work of the researchers formed part of the deliberations of the International Institute for Sustainable Development - a not-for-profit policy research institute - in their formulation of a 'responsible competitiveness' agenda [10]. In addition, Huggins was asked in 2011 to join a team advising the General Secretariat of the Executive Council of Abu Dhabi on the development of methodologies for examining the competitiveness of the emirate in relation to innovation. This led to the creation of 'The Competitiveness Office of Abu Dhabi' by the Department for Economic Development in Abu Dhabi. Huggins has also advised the Competitiveness Office on developing a 'Regional Competitiveness Index for Abu Dhabi'.

Since 2008, Huggins has acted as an advisor or consultant on competitiveness issues to the following organisations: East of England Development Agency (2008); One North East (North East England Development Agency) (2009); Greater Merseyside Partnership (2009); UK Government Department for Environment, Food and Rural Affairs (2010/11); British Chambers of Commerce (2012); Regional Australia Institute (2012); and Chambers of Commerce in Colombia (2012).

5. Sources to corroborate the impact (indicative maximum of 10 references)

- [1] Association of Greater Manchester Authorities/Manchester Commission for Economic Development, Employment and Skills (2009) *The Manchester Strategic Enterprise Framework 2009-2011*. <http://pdf.edocr.com/1011a0a4c7184fd6f69b58ae79c7582c6e55cc.pdf> confirms the use of the *UK Competitiveness Index* research in the formulation of the Manchester Strategic Enterprise Framework (see references to the research on page 26).
- [2] York Economic Partnership (2011) *Reaching Further: York Economic Strategy 2011-2015*. York: York Economic Partnership and City of York Council.
<http://www1.hays.co.uk/jobs/cyc/DOCS/City-of-York-Draft-Economic-Strategy-2011-2015.pdf> confirms the use of the *UK Competitiveness Index* research in the formulation of the York Economic Strategy (see references to the research on pages 5, 8, 10 and 23).
- [3] Somerset County Council (2010) *Somerset Competitiveness: Draft Final Report*. Exeter: Roger Tym and Partners.
<http://www.somerset.gov.uk/irj/go/km/docs/CouncilDocuments/SCC/Documents/Community/Economy%20and%20Europe/Policy%20theme%20-%20Competitiveness.pdf> confirms the use of the *UK Competitiveness Index* research in the review of the Somerset economy (see references to the research on pages 1, 2 and 3).
- [4] South West Observatory (2008) *Impact Analysis: ESF Objective One Programme, Cornwall and the Isles of Scilly Volume 1: Findings and Recommendations Report*. Bristol: Government Office South West and the South West Regional Development Agency.
http://www.marchmont.ac.uk/Documents/Projects/objective-1_cornwall/findings.pdf confirms the use of the *UK Competitiveness Index* research in the impact analysis of the ESF Objective One programme in Cornwall and the Isles of Scilly (references to the research on pages 13, 16 and 17).
- [5] UK Commission for Employment and Skills (2010) *Ambition 2020: World Class Skills and Jobs for the UK*. South Yorkshire and London: UKCES.
<http://www.ukces.org.uk/assets/ukces/docs/publications/ambition-2020-the-2010-report.pdf> confirms the use of the *UK Competitiveness Index* research in the UKCES review (see references to the research on pages 20 and 21).
- [6] Annoni, P. and Kozovska, K. (2010) *EU Regional Competitiveness Index 2010*. Luxembourg: Publications Office of the European Union.
<http://publications.jrc.ec.europa.eu/repository/handle/111111111/13666> confirms the use of the research in the formulation of the *EU Regional Competitiveness Index 2010* (see, for example, references to the research on pages 2, 4, 16, 22, 23 and 253).
- [7] City of Grand Rapids (2008) *Grand Rapids, Michigan: Community Triple Bottom Line Indicator Report*. Grand Rapids: City of Grand Rapids.
http://grcity.us/enterprise-services/Documents/11686_TBLFinal.pdf confirms the use of the *World Knowledge Competitiveness Index* research in the Grand Rapids economic review (see reference to the research on page 21).
- [8] City of Helsinki (2008) *Helsinki's International Strategy 2008*. Helsinki: City of Helsinki Administration Centre
http://www.hel2.fi/ajankohtaista/Halke/Kv_strategia_en.pdf confirms the use of the research in the formulation of the Helsinki International Strategy (see pages 6 and 8).
- [9] Forfás/National Competitiveness Council (2008) *Review of International Assessments of Ireland's Competitiveness*. Dublin: Forfás/National Competitiveness Council.
http://www.forfas.ie/media/ncc071220_international_competitiveness_review1.pdf confirms the use of the *European Competitiveness Index* research in Ireland's economic review (see references to the research on first page of the report and pages iv, 1, 2, 3, 4, 5, 23, 24, and 25).
- [10] International Institute for Sustainable Development (2009) *Towards Sustainable Outsourcing: A Responsible Competitiveness Agenda for IT-Enabled Services*. Winnipeg, Manitoba, Canada: International Institute for Sustainable Development.
[http://www.accountability.org/images/content/0/9/099/ITES_RC%20agenda%20for%20sustainable%20outsourcing\(2\).pdf](http://www.accountability.org/images/content/0/9/099/ITES_RC%20agenda%20for%20sustainable%20outsourcing(2).pdf) confirms the use of the *World Knowledge Competitiveness Index* research by the International Institute for Sustainable Development (see, for example, page 13).