

**Julia Salom Carrasco,  
Joaquín Farinós Dasí, eds.**

# **Identity and Territorial Character**

**Re-Interpreting Local-Spatial Development**





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Spatial Development

Julia Salom Carrasco  
Joaquín Farinós Dasí  
(Eds.)

Colección: Desarrollo Territorial, 13  
Director de la colección: Joan Romero  
Cátedra de Geografía Humana. Universitat de València

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Publicacions de la Universitat de València  
[puv.uv.es](http://puv.uv.es)  
[publicacions@uv.es](mailto:publicacions@uv.es)

Composición, maquetación y pruebas: JPM Ediciones  
Diseño de la cubierta: Luis Gómez  
Tratamiento gráfico: Celso Hernández de la Figuera

ISBN: 978-84-370-9463-2  
Edición digital

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# Introduction

Despite the multifaceted nature of the territory, understood as a complex system, scant attention has been paid to the objective of policy coherence, one of the five principles of good governance according to the Commission's White paper. There are powerful interests and reasons for that caught up in wanting to perpetuate patterns of growth and power relations established and strongly settled.

In economic crisis times it seems territory "does not matter"; less than never. But nobody ensures that it will appropriately be taken into account after. And what is worse, is an argument that neglects, consciously or not, the possibility of new innovative ways that precisely contribute to promoting, again, development. We understand this as territorial and sustainable development, which combines competitiveness and social dimension while being environmentally sustainable.

While in the EU we can see how the European social model and the so called "Welfare State" is progressively menaced and dismissing, in other parts of the world with more pristine conditions (where States recognize themselves as multi-national States and communities still can co-exist with some traditional respect to territory) they strive to demand and achieve the objective of "good life". It will not be coincidence that the Earth Summit (Rio + 20) returned to the South-American continent; again to Rio. In the case of Europe, where both territory and societies have been heavily transformed and even domesticated, analysis is necessary more complex, and recovery more difficult; but only in appearance. There are important changes taking place forced by the (financial) crisis that is decomposing states, rights and opportunities for welfare and development of places and generations of citizens who live there.

In such context this book presents materials presented to *2H2S European Research Consortium in Human and Social Sciences 11<sup>th</sup> International Seminar entitled "Identity, culture and right government of territory: is it possible to reinterpret the local development?"* held in Valencia and Castellón (Spain) on 16<sup>th</sup> to 21<sup>st</sup> July 2012 in order to move into the possibilities of promoting (at local level and with the objective of development of localities, regions and societies) necessary innovations. Not only socio-institutional ones (according to the consolidated statements of local and regional development of economic geographers and regional and urban economists) but also -and mainly due their added value- socio-territorial innovations. Second ones include first ones, by extending development relation-

ships with territory, economy and society, culture and the environment (in an inter-sectoral and coherent way). For that, territorial governance and decision-making, and renewed strategic planning, became a quality instrument for politics and policy management (in tuning with recent and promising, although it is not exempt of risks, ecosystem based management approach).

Despite clear evidence of failure that have reached the current situation globally, still is difficult to propose (and accept) progresses towards a renewed understanding of local (territorial) development planning; in two senses. First about focus, so far than economic; in which sustainability was not only reduced to measure environmental costs of facilities and services of general interest (costs that were not previously considered, as some time ago was the case of transport costs, leading then to new theories of international trade and imperfect competence models). Second about planning activity itself, each time more contested due rigidities and simplifications of real trends and processes. All this puts territorial development planning at stake.

Governance and culture are considered now as basis vectors. Culture this time is considered not only as heritage (cultural or natural), in a static or passive way, as a resource that can be put in market value to develop clusters of activities. This applies to tourism and leisure activities, anchored to some of these territorial given resources; values in many European countries have their own long history and their own natural and geographical conditions. But pro-active (and this is the fundamental difference) by putting them in value; a final value it is depending on the way they are managed and administrated (not only in a 'prudent' but also creative way). Culture and heritage also refers to intangibles, narrative, "story lines" and traditions; and not just to learn from it but also to reinvent it from. One has several names: know-how "savoir-faire", tradition or industrial endogenous potential...

Let's get practical. Although it is possible that large changes can occur in places, in a world ones want flat and undifferentiated, do not expect great miracles, but the reproduction of old patterns instead, where places and people are faced with an old race between "earning territories" and "lost territories". Way exhausted! We have to look alternative ways, or at least complementary to this old vision. The question then is which chances are for their peculiarities ... and where to find them? If nothing is new at all, at least ones can look for the differential supported by the own culture in order to promote changes or innovations in products, processes and organizations (public as well as private ones). The goal: re-inventing territories and exploring possibilities of these vectors such as identity, culture and new territorial government (governance) practices.

According to these premises this book is organized, from both scale and thematic point of view, in eight chapters following introduction. First one explores possibilities for a renewed local/spatial strategy focusing on territorial cohesion principle, objective and policy within a re-visited EU; itself seen as renewed spatial/economic regionalization project. Second one focuses on the key role and impacts of European Policies ('first pillar' ones, mainly Regional European Policy) for this purpose. Third one put eyes in re-industrialization strategy as way to recover economies in crisis (as is the case of Spain, and more in particular of

Valencian Autonomous Region, after Real Estate crash), through local industrial districts development. Fourth one studies immigration fluxes in the Spanish case; new attracted populations represent an important resource for local development as new job forces, skilled or not, but also with a diverse character that enriches places of destination. Finally four remaining chapters deep inside cultural dimension -cultural heritage and cultural cooperation- as key factor to successful local development strategies; through case studies analysis in some European context as Albania, France, Germany, Romania and Spain.

A cultural and geographical diversity that also is present in the list of authors and their own specialization field. That represents an interesting opportunity to the reader of this book in order to make an alternative approach, and see this strategic topic of local/spatial development from different and suggesting perspectives. Editors hope it can be useful in order to face successfully challenges spaces and places should to manage in current globalized and crisis context.



# 1 Re-territorializing local development in EU: local-based against globalisation impacts

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## 1. A new old history: (economic) crisis is here again!

Increasing regional differences in EU, financial crisis, non-democratic capitalism, civil society movements and conflicts, crash of the ‘government-governance-governability’ continuum, breaking moment in democratic regeneration (from real meta-governance between State-Market-Civil Society to a more limited State and Market one, and finally to Market dominium). As consequence: political and values’ crisis, leading to civil reactions and movements, looking for guiding and leading own futures and for recomposing real good/right meta-governance relationships between State-Market-Civil Society in a renewed (real) democracy through Civil Society delegation of power in representative hands (under more civic control trying to avoid current democratic deficit).

Trying to say in a simple way, current situation across the whole world is the result of a new stage of capitalism production system –globalization– that represents some important changes regarding to some previous ones (JESSOP, 2002). Among them some combination of factors are specially crucial: loss of citizens’ control about their future; loss of national and even supra-national control over financial international fluxes and its effects; loss of redistributive character of market production model with a progressive concentration of benefits and progressive reduction of middle classes as crucial element for demand and markets (and so for productions and enterprises of the real economy).

In sum, capitalism cannot solve its own problems and its regular crisis but only displace them geographically (HARVEY, 2010); but now also over time: firstly going back to the future (jeopardizing it because the problem of internal –families & business– as well as external debt), and right now going back to the past (social rights reduction/erosion trying to going back to previous stages of the industrial-

zation processes on 19<sup>th</sup> and 20<sup>th</sup> century –with low salaries, more working hours, more flexibility or simply deregulation–). Accordingly, within this new globalized context where not more displacement is possible, except across other unexplored places –seas and space– and along time –as it has been done– it cannot be democratic anymore (STREECK, 2011).

How we became to this new situation can be simply summarized as: the need to reinforce accumulation within the crisis of this model of production in the middle of the 1980s; re-invent itself by the end of the 1990s with strong neo-liberal approaches; and predating and jeopardizing futures in first 2000s, until the current financial global crisis that –as a top that impedes to go so far– it seems oblige necessarily to go back (mainly in social rights) as only possible solution.

But also other alternatives to this provided one can be possible; that is, a model of competitiveness based on specific resources (local, endogenous, own, differentiated) instead common or banal ones; in line with old Jacques Delors' idea of local employment opportunities recently renewed as 'bottom-up development' (Panorama, 2012), supported on cooperation and territorial intelligence for both cohesion and better quality of life from local to EU levels (FARINÓS, 2013).

But in fact national perspectives are predominant, and a Federal EU Project seems to be each time so far, menaced by the opposite/contrary way tending to re-nationalization of policies, funds and programs. In this not so much stimulating way, currently predominant, nor democracy nor social rights nor welfare nor quality of live, nor happiness seems to win, but more traditional and conservative ways to do instead. In this trend liberals are clearly in advantage. Opposite could be the open field for progressive parties, with more clear trans-national and cooperative way from local to EU level, as first step.

If some time ago in EU (several decades after in the case of recent developed countries) local traditional conservative agrarian societies where the origin of local development (BERNABÉ, 1975; HOUSSEL, 1980), right now it seems in this new international context the place-based approach is in stand-by, if not directly missing. However lack of rules and securities in a speculative (instead real/productive) economy, within a non-democratic capitalism era, a re-interpretation of this process is more necessary than never. One should try to go forward (to translate borderlines for the new 21<sup>st</sup> century), more than re-produce a revival of 19<sup>th</sup> century production rules and rights. In such discourse liberals are the king; even though progressive parties could feel comfortable by doing and claim for the same, as until now. For both ideological sides this option is easier and more comfortable than reinvent discourses and translate barriers (about this question, applied to EU, project see MIGONE, 2013).

At this moment one can think the key issue (and dirty tramp) is the problem of States' debt; as a mirage, considered as unsolvable problem in current state of the art. This matter is heavily menacing EU project at least for two important reasons: because there is not at all a clear delimitation and difference between credit and usury (and typify usury as international felony and crime, as in fact it has been done at national level in many cases; however international or EU new law against it is difficult due precedent traditions and facts); and because in this fuzzy situation

of markets tyranny some nation-states win (creditors or stronger ones) and have new advantages from those are losing (those with debt).

## 2. Development in theory and practice: short overview of its evolution and predominant focus

Development relates with 'progress' concept; as evolution from basic forms to more complex and elaborated ones that are understood as better than the previous ones ('modernization'). It relates in turn with other concepts as 'wealth', 'growth' of 'domestic product', which will lead to more satisfactory wealth and 'quality of life'. However these relationships are not of cause-effect style, nor lineal ones.

Initially based on a lonely economic perspective, development concept evolved to a more trans-disciplinary approach. From a simple understanding, development is economically oriented: as transitional process to a modern, industrial and capitalistic economy (this one in turn with different possible interpretations: Adam Smith, David Ricardo, Karl Marx...), by following and reproducing a model of development advanced countries use before and the new countries in evolution should to imitate and emulate (so the so called 'Developing Countries'). In this sense development is a progressive, irreversible, long term process following a homogenization pattern.

*Modernization perspective* joints several development strategies and approaches argued by authors as Rostow, Keynes, Perroux, Hirschman, Myrdal... It supports convenience of concentrate efforts on key (industrial) sectors and factors (social as well as institutional and cultural changes) with multiplicative effects and links in order to maximize results. That means to accept the unavoidable unbalanced character of the development process as strategy for action.

From a broader and more interesting understanding (more complex but less dependent and fatalistic), development means increasing quality of life, poverty eradication and better material welfare indicators. Within this new perspective it combines economic together with other social as well as environmental criteria/indicators, such as: covering basic needs, democracy, respect to minorities, protection of territorial assets as well as of local particularities and autonomy. It relates with new approaches and theories as those of 'Basic Needs' (Paul Streeten, in 1970s) and 'Basic Rights' (Amartya Sen and his 'Human Development and Capabilities Approach' in 1990s).

According with the *Basic Needs Theory*, despite economic growth is still considered as basic determinant in order to achieve desired development, it is not enough by itself in order to guarantee satisfaction of citizens' basic needs. In this case, main goal of development must be to give all people opportunities to live a fulfilling life. Since the 1980s several evaluation reports showed the failure when achieving this objective in many countries. By then they were mainly developing countries, but currently also is the case of old developed ones, right now in crisis (as some EU Member States). That led to a new soft law commitments at international level, as is the case of *Millennium Development Goals* (MDGs –eight objectives for human development adopted by 189 NU countries,

fixed in 2000 in order to be achieved in 2015 as deadline, and lastly revisited due failure on its fulfilment).

The Atlantic Chart (1941) –through which a new world order was established (until now)– based peace possibilities on economic and social securities. USA's President Franklin Roosevelt opens the way to a common understanding of development as incremental process following occidental/market pattern. In all cases this process would be under the supervision of supranational institutions as World Bank (WB) and International Monetary Fund (IMF). Initially conceived as control instruments in the post-war international order (in order to correct situations of absence of wealth/richness –a real danger for the global peace objective–), progressively this strategy was heavily criticized (Singer, Prebisch, Harvey, Lacoste...). Not only from the radical *Dependency Theory* (popular in the 1960s and 1970s, as strong reaction and criticism to *Modernization Theory*), but also at the end of the 20<sup>th</sup> century and the beginning of the 21<sup>st</sup>.

By now WB and IMF both are considered as clear examples of 'non-democratic' institutions. However they are guiding citizens' lives without their permission or taking into account their opinion; but trying to preserve bastard interests instead, really opposite to those of people. In fact they are running contrary to its original objective, to avoid the final cause of the new social-endogenous conflicts and lack of social peace. As reaction we can see not only recent 'springs' movements but also (this time by accepting rules of global capitalism) new recent geo-political instruments as *BRICS*, the common agreements among the five major emerging national economies (Brazil, Russia, India, China and South Africa).

After criticism to *Modernization Theory* coming mainly from Marxists, and after lessons learned simply and empirically over time, new approaches emerge; as is the case of the *Basic Needs Theory* (proposed by Streeten after the 11<sup>th</sup> International Society for Development World Conference, held in India in 1969). As key pre-requisite for development it asks for the fulfilment of 'vital minimum' for each individual (citizen). This ground, a necessary basis, is the necessary point of departure for any development process. These minimum factors considered are the following: ensuring material consumption needs, essential services for life (health, education, transport...), other factors facilitating own potential development (qualitative factors as participation and other favourable conditions as security).

This *Basic Needs Theory* relates with: the *Maslow's hierarchy of needs* (MASLOW, 1943 –also a USA author, as Streeten was–), as well as with the new "SumakKawsay" ("Buen vivir") principle (included in both current Constitutions, those of Bolivia and Ecuador, in these cases with a more clear environmental sustainable approach); but also with the more recent Amartya Sen's *Basic Freedoms Theory*. In this theory freedom is understood as capacity to choose, as well as capacity to be able to do. Amartya SEN (1999) differentiates five kinds of freedoms:

- political ones: related with participation as basis or real democracy –menaced in the current global financial crisis–,
- economic services availability: one should remind this was a very basic issue in first understandings for Territorial Cohesion idea inside EU in the 1990s,



- social opportunities: again menaced in the current crisis because the diminution of social rights and coverage (eroded/'in coma' Welfare State),
- transparency guarantees: related with basic principles of good governance as openness, transparency and accountability (EC, 2001),
- economic securities: more traditional factor related with new governance requirements/conditions for development according indicators developed for some international –neoliberal oriented– institutions (as is the case of the Economic Global Forum and their *Global Competitiveness Reports* – see EGF, 2013-14–).

Despite these attempts for a broader and more generous understanding of development, it was re-conducted to more economic terms, again, along the 1980s and 1990s. However liberalization, free-market and de-regulation of economies did not give expected results. Contrary developing countries (as well as creditor countries) must face the challenge of external debt reimbursement. The result was the debt restructuring (Brady Plan –1989–) and the so called Washington Consensus promoted for the IMF, the WB and the US Treasury Department. This wrong called 'consensus' consist in a set of 10 relatively specific economic policy prescriptions to be applied along the 1990s by concerned countries (mainly Latin-American ones): prescriptions about macroeconomic stabilization, more clear economic opening for trade and investment, and the expansion of market forces (labour force flexibilization or/and de-regulation at internal level).

Structural Adjustment Programs were the key instruments to apply these main guidelines progressively oriented to liberalization, privatization and de-regulation. Again, development is more than never identified as economic growth. Poverty and social problems were considered as unavoidable compensation accordingly with 'necessary' hard structural adjustments (if debt countries do not want to suffer fiscal discipline measures and punishments). The logic behind of such process seems to look for continuous adaptation of national and regional spaces to globalization exigencies and constraints (restrictions) as the only way for a feasible (real, possible) development (never local, but systemic). Not so surprisingly, twenty years after, same arguments and same measures will be pursued and applied in EU 'developed' countries affected by the current financial crisis. Just when the Latin-American ones refuse these measures and practice opposite ones and seems to be in the right way to development, growth and better quality of life (according with their positive economic indicators and the emergence and development of a new and broader middle class).

Washington Consensus itself represents an innovation, trying to adapt and satisfy needs and exigencies of global capitalism: increasing liberalization of economy, but this time leadership on investments management is going directly to private interest hands. State's role is being reduced exclusively to social and juridical (law, regulative) matters, but any of economic nature. Furthermore, public power will be applied in a *New Public Management* approach (wrongly called so, because it is reductionist while trying to identify and confuse modernization with privatization). That means administrations should be less citizen but more client

oriented instead, in a progressive process of de-centralization/compartimentalization. This way make easiest externalization and privatization of previous public competences and services (new spaces of opportunity for private business and interests), by establishing a new code of relationships and routines of action (meta-governance) between State and Market while avoiding Civil Society.

In this trend only 'participation' refers and takes care for Civil Society rights. Notwithstanding this participation is not always understood nor applied in a very clear, right and useful way (as the desired 'areté' in Aristotelian wording). And this is a very important and crucial difference for new EU countries that are applying these Washington Consensus receipts since the beginning of the 2010s. Defence of traditional national interest (Economic Nationalism), the Social Contract, and past democratic and egalitarian capitalism, all of them are in regression. As well as Social-democracy (on Merkel words "...a party, no longer a movement"), that in current non-democratic capitalism conditions (RODRIK, 2011; STREECK, 2011) is in crisis and presents clear need of revision (MERKEL & OTHER, 2008; ROMERO, 2011; STETEER & OTHER, 2009). If not it is directly in risk to be definitively eroded, changed or deleted; open window neither for a new society of needs and rights but menaces and risks instead (*Human Development* versus of *Risks Society* –BECK, 1992–).

This new situation high and clear claims for a reaction as well as for renewed alternatives and routines of action. One can imagine them more democratic and territorial based; some other can think localism is not enough, and claim for a new system, through revolution... or progressive changes (... to decide!).

### **3. From development to local development; what the local scale adds? Alternatives for a new understanding of 'territorialisation'**

Any initiative trying to overcome limitations and inefficiencies of traditional development theories and receipts (as Washington Consensus –without any good result in countries applying them along the 1990s–) looks to generate new proposals and perspectives strongly related/linked with local/particular territorial/spatial conditions. They try to combine both material (economic, social, political, cultural and environmental components...) with symbolic components (story lines, narratives, values, ownership...); not generic nor indiscriminate ones but indicative, specific, adapted and even iterative ones instead (JOHNSTON, 1991).

In this way the spatial dimension (territorialisation) appears as a new category with a synergic character facilitating such combinations. Since then, one speaks about a new development model based on local potentials (local as the more pertinent level but in relation with other ones –principle of multilevel governance, see ESPON, 2007–). So, new development models become differentiated and adapted to particular territorial features, as well as they should be able to find their accommodation within the global context.

While traditional structural policies for development adopted a functional approach, new perspectives of local development use a territorial focus as frame-

work for all actions. This new (local) development tries to achieve three main objectives: guarantee the global public goods right delivery among population, fight against personal-group-spatial and inter-generational unbalances and asymmetries in the new global context, and guarantee people fundamental rights.

Local Development theories belong to eclectic or multi-factorial theories; that is, local development requires several resources acting simultaneously. In order to achieve long term development processes, geographically based issues are the most important ones (e.g. infrastructures and facilities, quality of services, research and development activities, skilled labour force, talent). In similar way, one can also distinguish between generic and specific resources, being the second ones the most strategic and important. However, as some authors as HAUGHTON & ALLMEIDER (2008, 2013) point out, only territories with a minimum required threshold (level) of development and strategic capabilities can make use of local potentials and global opportunities by integrating internal with external diagnostic (here we use SWOT routines as methodological approach). Those which do not achieve these thresholds should look mainly for national and external support, and for territorial cooperation.

Local features and local strategic actors are crucial (TEWDWR-JONES & OTHER, 2005), but they also depend on political will and policies put in practice at supra-local/national level (finally supra-national one in the case of EU) in order to promote themselves as well as to articulate local potential with new emerging potentials and opportunities (and threats) at global level. Also development of an appropriate planning activity to better organize territory in which economic activities and sectors must be developed in order to promote local development appears as an important pre-condition. Here Spatial/Regional Planning becomes crucial element and key factor.

A lot of opportunities can come from outside, from externalities as well as cooperation initiatives and strategies. It does not mean, either, local development is only related with economic variables (e.g. those of relational nature between actors and institutions, trying to agree a common shared vision and the way to achieve it). Current liberalized free market economy, mainly supported by biggest financial institutions, represents a difficult environment that heavily menace actions and reactions from local levels. In such context, stronger institutionalization, as the return of States and new regionalisms (as is the case of EU and their public policies to be applied both at national as well as supra-local level) can help to face internal vulnerabilities (see AGNEW, 2000; AMIN, 2004; AMIN & THRIFT, 1994; HARRISON, 2006, 2013; MACLEOD & JONES, 2007; STORPER, 1997; SWYNGEDOUW, 1997).

Again multi-level and horizontal coordination and cooperation, and participation (the three dimensions of territorial governance that relates with New Strategic Spatial Planning –see FARINÓS, 2009a–) appear as basic criteria for local territorial development. Spatial development is defined and delimited by present both social and power relationships, and existing negotiation and ‘contractualisation’ processes (seen from a deliberative perspective according with HABERMAS, 1984). Here one should face the challenge of combining spatial with regional planning; economy with territory and demography. An un-structured problem that still has