

## **Annual Conference 2024**

**The Entrepreneurial State and Mission-Orientated  
Innovation Policy**

**and**

**Rethinking Regional Path Dependence and Lock-in**

**Welcome and Introductory Remarks**

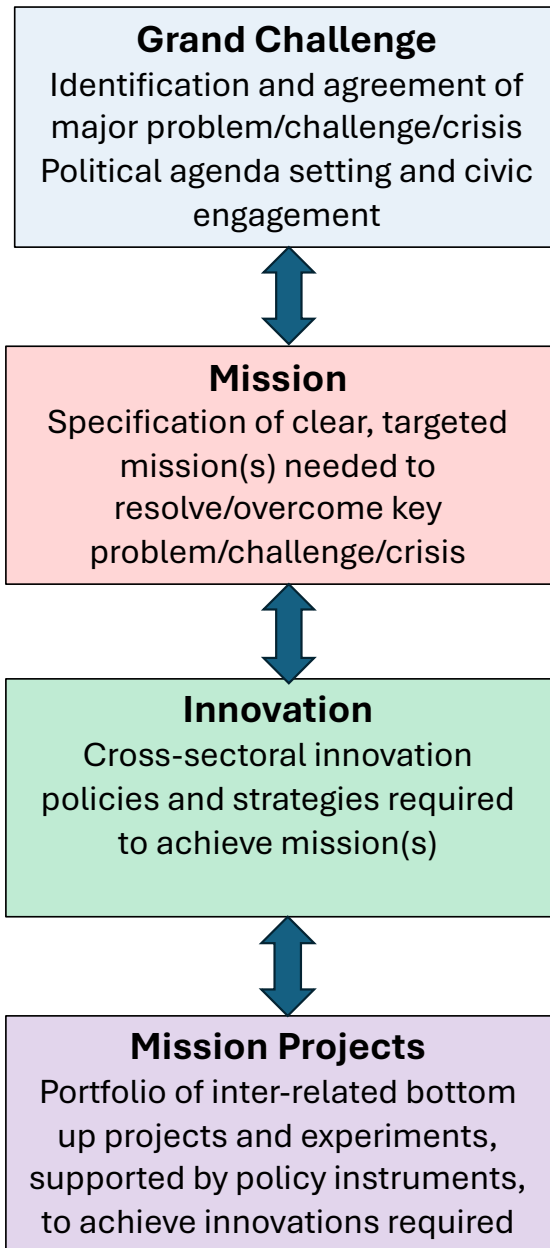
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# Two Key Themes

- CJRES tackles themes at the forefront of current debate on advances in regional theory and policy discourse. We have chosen two such key areas for this conference:
- First, today's pressing challenges (eg. climate change, slow growth, high levels of regional inequality, the disruption of AI), have attracted calls for a more **entrepreneurial state** and for **mission orientated policy**, especially for innovation
- Second, the current disruptive juncture facing economies everywhere is a salient time to re-examine the ideas of **path dependence and lock-in** that have assumed prominence in studies of regional economic development and evolution

# **The Entrepreneurial State and Mission-Orientated Innovation Policy**

- Notion of Mission-Orientated Policy (MOP) has attracted increased attention over past few years
- Invoked by numerous policy bodies (EU, OECD, individual nation-states)
- Associated with idea of ‘entrepreneurial state’ – state as prime ‘market maker’ and innovator, role not simply to solve ‘market failures’
- Widely promoted by Mariana Mazzucato (*The Entrepreneurial State*, 2013; *Mission Economy*, 2021)
- But idea of MOP not gone uncontested (eg. Brown, 2020; Janssen et al, 2021; Kirchheer et al, 2023)



# Mission Orientated Policy

“[A] ‘mission-orientated’ approach requires fundamentally rethinking the ways in which government and business interact, making them together more genuinely purpose-driven” (M. Mazzucato, *Mission Economy: A Moonshot Guide to Changing Capitalism*, 2021)

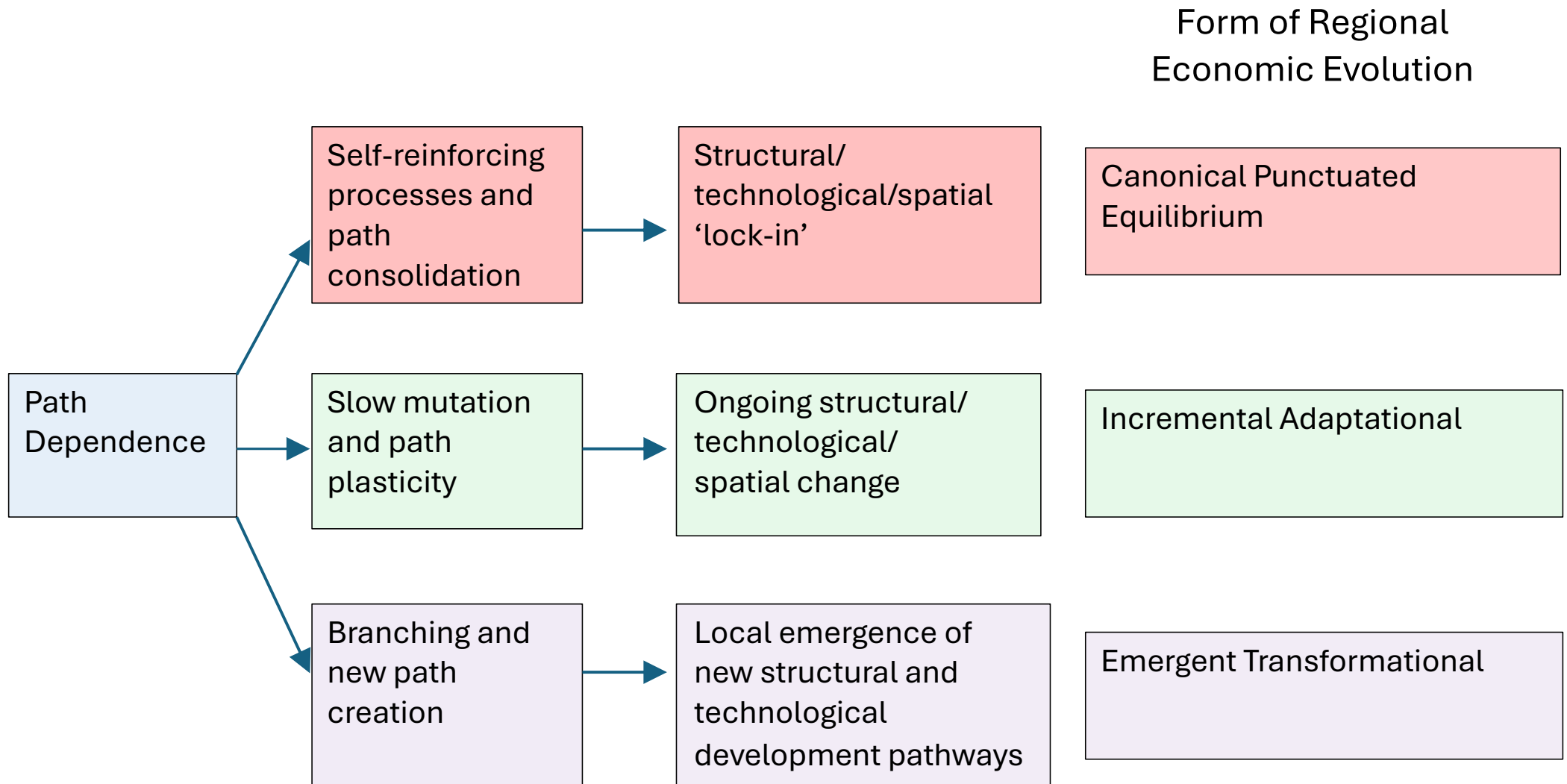
- Various criticisms and questions
- Idea of ‘missions’ raises problem of ‘normativity’ and danger of policy lock-in, whereas policies need to be flexible?
- Who sets the missions? Is MOP likely to be too ‘top-down’?
- Does MOP suffer from problem of state ‘picking winners’?
- How to combine setting of missions by state with current move to ‘place-based’ policy model
- Different regions and cities may require different policies to meet a given macro-level mission (eg green energy)

# **Rethinking Regional Path Dependence and Lock-in**

- Nearly 40 years since Paul David (1985) developed his model of path dependence and lock-in (QUERTY keyboard), and expanded by Brian Arthur (1989, 1994)
- Canonical model – early event/choice can become reinforced (eg by increasing returns and network effects) and locked-in. History matters.
- Idea has permeated numerous disciplines (economics, sociology, political science, management science), and regional studies (see eg, Martin and Sunley, 2006)
- Early focus on how regional economies become locked in to particular development (structural/technological) paths
- Later focus on how regional economies can change development path (new path creation)



# Regional Path Dependence



- What is regional path dependence? Does it always lead to lock-in?
- Is regional 'lock-in' necessarily a negative feature? When/how does positive lock-in become dysfunctional?
- Is path dependence itself a place-dependent process?
- Why are some regions more able than others to foster new development paths?
- Does the development of particular economic pathways in certain regions 'lock-out' other regions from developing those pathways? ( idea of '*combined* uneven regional path dependence')
- Need for more evolutionary models of regional path development