

# Foreword

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The general question under discussion in this book is why some regions grow while other regions decline. Can we understand the reasons behind such a phenomenon and even construct a general theory to explain the circumstances in which a region will be dynamic? In this book Professor Pierre-André Julien has developed such a general theory. It is a dynamic approach which tries not only to understand the actual situation in a region but also to take into account why regions might be prospering during certain time periods and declining during others.

This is an impressive piece of research, and there are many reasons to read it. Throughout the book Pierre-André Julien gives numerous practical and empirical examples to illustrate his statements and theory developments. He also illustrates the previous research work already undertaken in several areas in the macroeconomic as well as in the microeconomic field. Furthermore, he uses a metaphor based upon crime novels featuring Columbo, Sherlock Holmes, Maigret and William of Baskerville. By employing such a metaphor via these novels, he can find different types of research methods as well as research tools and also variations in underlying theories. By using both a large number of empirical examples as well as this type of metaphor, the author makes it easier for us as readers to understand different theoretical developments.

The purpose of the book is to give a holistic or cross-disciplinary theory of local entrepreneurship. The author emphasizes the importance of context in a region and the need for a complex approach, as well as the fact that entrepreneurs do not work in isolation but are very dependent on networks, norms and values. To illustrate this, we need to understand different entrepreneurship approaches. We learn about a behaviourist approach as well as sociological, regional economic and economic approaches. However, the book also illustrates that many of the approaches mentioned cannot explain why firms are created in different regions and why it is possible to create positive dynamics in some regions. To address this type of problem issues such as how to create learning organizations will be of importance, as well as the regional milieu and also the need for information, the importance of networks and innovations.

According to the author one can in fact see the regional milieu as consisting of resources, conventions and entrepreneurial culture. This generates

social capital and rich networks which in their turn can provide knowledge learning and possibilities for promoting innovative small businesses. If the process is dynamic and developing, there will be possibilities for local development. There are several explanations of the complexity involved in such development processes, for example, a description of the importance of collective entrepreneurship. As an entrepreneur one must both compete and cooperate.

Pierre-André Julien also discusses the complementary role of the state in this process. According to him, the government should primarily set the targets but also has to help to develop complex networks via its agencies. Furthermore, the state should support proactive firms or groups of firms as well as, for example, stimulating innovation. Overall it is important to realize that this is a supplementary role.

Territories that innovate and learn must meet a number of conditions concerning the need for innovations in their industrial base, the development of an educated workforce, good infrastructure, easy access to risk capital or risk financing, a set of open conventions and behavioural rules, rich information networks, and ongoing learning and change at different levels in the region. Developing a new theory of entrepreneurship, the author declares that there is a need to go from single-track theories in explaining endogenous entrepreneurship to a more complex approach towards how to overcome uncertainty to create more of a knowledge economy, as well as a need to go from a view of strong rationality to more of a so-called weak rationality and uncertainty. This is one reason for the need for openness to change in all levels of an economy, the idea being that rationality is subjective and time-dependent and derives from collective learning through interpersonal relations, rules and conventions. It is in such areas that the author sees the need for more research and theory developments. He has also developed three levels of analysis for local endogenous entrepreneurship describing an increasing complexity and deepening of the terms 'information' and 'networking'.

As I stated earlier, this is an impressive study containing many interesting ideas and approaches. It is an important piece of work to develop our understanding of the complexity concerning how to create dynamic milieus for regional development. So take the time to read this book and follow Pierre-André Julien on his journey to give us all a better understanding of a very complex process.

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