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**Governance and the Determinants of Local
Economic Development in Raia Central Ibérica**

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RESUMO/ABSTRACT

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Keyword: Governance, Innovation, Cooperation, Local Development, Peripheral Region

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GOVERNANCE AND THE DETERMINANTS OF LOCAL ECONOMIC DEVELOPMENT IN RAIA CENTRAL IBÉRICA

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ABSTRACT

The dynamics of territorial governance configure a virtual geographic space and promote synergies and competitiveness. The ability to decide, adjust and regulate the territory depends of competent and efficient governance systems. These systems have an important role in the territorial innovation process all the way to the definition of projects, to regional politics and also in the regulation and organization of local activities. Thus, the aim of this paper is to present the results of an empirical research of the companies of the Raia Central Ibérica Region, which is located in the border area of Central Portugal/Spain. The research assesses entrepreneur satisfaction with respect to the sub-regions governance systems and their impact in the local dynamics of innovation and in the local economic development. The paper examines the imbalances in the satisfaction of governance systems in the sub-regions of Raia Central Ibérica. Based on an empirical study, the imbalances could be broadly attributed to differences in their most important problems, to the lack of common identity, to the lack of government/public intervention, but also to the lack of cooperation and to innovation.

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1- INTRODUCTION

Authors like Lopes (2001), Costa (2002 e 2003), Bramanti (1999), Deryche (2002), Guillaume (1998), Braczyk et al (1998), Cooke (2003), among others, have studied the mechanisms of governance in particular in the territorial process of innovation. Storper and Harrison (1991) draw attention to the structure of supply chains where the number of suppliers is different from the number of costumers, to explain the asymmetry of power and develop a typology of governance structures. In this case, governance is defined as a context in which the types of firms coexist and originate different conditions for governance and interrelationships between companies.

According to Cooke (2003), the success of companies depends not only on the intra-organizational mechanisms of coordination and control but also on the structure of regional governance. Therefore, for Lopes (2001:150) “the dynamics of territorial governance configure a virtual geographic space and promote synergies and competitiveness, through witch complex relational process linked to the integration of companies on their territory and associated to territory articulation with the regional and national economy”.

The governance concept is applied to companies as well as to their economic environment. Governance includes the organizational forms and process through witch economic activities in a specific field are coordinated and controlled.

Therefore, this paper examines the conceptual and empirical issue associated with governance. The aim of this paper is to explain the concept of governance and to present the results of an empirical research of the companies of the Raia Central Ibérica Region, which is located in the border area of Central Portugal/Spain. The research assesses entrepreneur satisfaction with respect to the sub-regions governance systems and their impact in the local dynamics of innovation and in the local economic development.

The paper examines the imbalances in the satisfaction of governance systems in the sub-regions of Raia Central Ibérica. Based on an empirical study, the imbalances could be broadly attributed to differences in their most important problems, to the lack of common identity, to the lack of government/public intervention, and to differences in

factors such as industry, management education, innovation, but also to the lack of cooperation which are common factors in disfavoured regions.

Thus, the paper is structured as follows. We will present a brief theoretical framing about governance concept and the methodology. Later we will evaluate the imbalances in the satisfaction of governance systems in the sub-regions of Raia Central Ibérica. Finally, we present some final reflections.

2- LITERATURE REVIEW

The use of the governance concept regarding the Regional Economy dates from the early 90's through the paper of M. Storper and B. Harrison (1992) intituled "Flexibilité, hiérarchie et développement régional: les changements de structure des systèmes productifs industriels et leurs nouveaux modes de gouvernance dans les années 1990" published in the book of G. Benko and A. Lipietz "Les Regions qui Gagnent".

In this paper, Storper and Harrison (1992:266) aimed to identify the way that territorial systems of industrial production functioning and their development conditions and have proposed the "governance" concept, emphasizing the influence that the different companies, territorially present and of their interrelationship models have in the development and evolution process of these territorial systems.

In the regional analysis, the governance concept has dwelled on, subsequently, to the set of relationships and interactions, existent or potential, among the companies and institutions, in a determined territory, local or regional, and which determine their collective model of functioning and economic development.

In this sense, the way by which, in a determined territory, the different actors interact, the level of sophistication of these relationships, their continuity, productivity and intentionality – the quality and relational density of a determined territory – constitutes a growing domain of interest and research.

The quality of the territorial governance depends immensely on the territorial capacity of foment and mobilize ways of cooperation and partnership public-public, private-

private, and yield the relational portfolios (Neto, 1999:929) of each one of them, it constitutes a decisive aspect to the construction of developing collective territorial strategies.

“The endurance and sustainability of the processes of territorial development lay on the collective capacity of mobilization, organization, and valuation of resources by the local actors” (Fermisson, 2005:2).

Naturally that capacity of mobilization, in a specific territory, is limited by the institutional thickness, which characterizes it, and by the density of the actors and agents territorially relevant – the institutional density and the relational density of the territory.

The territorial governance, according to Domingues (1998: 44), can be defined as being “not only, the mere territory government, but all the system of relations between institutions, organizations and individuals, which assure the collective choices and their accomplishment”.

The governance emergence is, thus, naturally associated to the realization and recognition of the traditional political-administrative governance insufficiencies, as well as the State’s role transformation and the ways of political regulation and of a more wide vision of the government concept (Le Galès, 2003:35).

One of the essential elements in the analysis of the governance territorial conditions is the evaluation that the different actors present in the territory do about the performance of the entities responsible for the territory political-administrative governance.

In a large extent, the territory government authorities are those who have a particular responsibility in the creation of territorial conditions, at the politics level, and of the infrastructures and equipment that favour their own performance disregarding the other actors. As well as, is their way of relating with the remaining authorities, companies and present institutions, which determines their own territorial governance quality – is from the political-administrative administration of the territory that it builds, it should stimulate and it should conduct a creative context of governance.

Therefore, the evaluation that the different actors do about the performance of the political-administrative authorities is particularly decisive for the possibility of building developing collective territorial strategies that are effectively mobilizing.

The local and regional territories are, mainly, spaces of collective action, so that it results, on one hand, in the accurate knowledge and identification of behaviour and relationship of the most relevant territorial agents, and on the other hand the ability to yield their performance and coordination.

The territorial governance, thus, lays on the accomplishment, in a concrete territory, of proceedings and mechanisms that we may call of horizontal subsidiary, mobilizing for the territory development, the different institutional and managerial abilities that the territory has.

The possibility of mobilizing these abilities is naturally, strongly dependent on the creation of concrete territorial conditions for the development of new ways of inter-actuation that may conciliate the individual strategies of the actors' multiplicity and generate mobilizing and legitimate enough jointly strategies.

The importance of the governance local contexts, known as organizer support of the local/regional capacity of strategic management and the recognition that the regulation forms of local and regional nature constitute a crucial factor for the trajectory of these territories development (Fermisson, 2005: 43-45).

Governance as a generating/making decisions, consensus, strategies and collective initiative mechanism – as a way of articulation/coordination of collective action.

The creation of institutional/formal mechanisms governance is particularly necessary given: 1) The natural existence of a rationalizing logic automatic and integrative of the territory actions; 2) The necessity to assure the leadership of the local and regional processes of development; 3) The necessity to assure the conditions of collective appropriation of the territorial strategies; 4) The possibility of guarantying the sophistication of the territorial strategies; 5) The necessity of participative

implementation of development strategies; 6) The relevancy of assuring the development, in the collective development strategies, of the different institutions and companies; 7) The necessity of formalizing collective strategies of territorial strategic planning.

Governance isn't necessary pacific and is obviously a local/regional source of tension and lays on unequal relationships between actors acting based on distinct rationalities. And, therefore, it's significant to create territorial conditions for the governance regulation, so that it turns out productive and focused.

The necessity to conceive and built the institutional form of support to governance – the definition of the territorial system of governance. The formalization and institutionalization of the models and relational relationships among authors – the creation of territorial systems of guidance of the relationships and of decision-making.

“The regional and local development is, sometimes, more an approach of rationalities rather than a rationalized process” (Guerra, 2000:52).

The question of collective leadership is also a fundamental issue for governance, as well as the question of creating new forms of engagement between public and private actors that assure continuity and government to their own collective action.

“The clarification of engagements and the set up of the action process and collective regulation is a slow game that it's going to built by action” (Guerra, 2000:54).

Governance requires, still, the capacity of widening the resources in available knowledge and of generating collective learning contexts where it can be developed and shared collective strategic visions of territorial development.

Naturally that the creation of territorial contexts of governance in border territories assumes, still, particularities, mainly by entangle the development of cooperation relationships, and dialogue between entities, companies, institutions and political-administrative authorities of different countries.

3- METHODOLOGY

To analyze, in Raia Central Ibérica, the system of governance we used an inquiry that was applied to the different companies of the five sub-regions (three Portuguese and two Spanish) of the border Portugal/Spain, of the Raia Central Ibérica (RCI). For the study, was considered a sample of 169 companies.

A- The Region: The Raia Central Ibérica

The Raia Central Ibérica agglomerates the Portuguese sub-regions (NUT's III) of the Interior Centre Region (a great part of Beira Interior): **North Beira Interior (BIN)** (Almeida, Celorico da Beira, Figueira de Castelo Rodrigo, Guarda, Manteigas, Meda, Pinhel, Sabugal and Trancoso), **South Beira Interior (BIS)** (Castelo Branco, Idanha-a-Nova, Penamacor and Vila Velha de Ródão) and **Cova da Beira (CB)** (Belmonte, Covilhã, and Fundão) (Portuguese Raia Central – RCP) and the totality of the spanish province territories of **Salamanca** and of **Cáceres** situated in the Autonomous Communities of Castilla Y León and of Extremadura, accordingly (Spanish Raia Central – RCE).

The sub-regions of the RCI have a social-economic reality much similar, they have been loosing population either from the quantitative and qualitative point of view, they present flaws in the corporate contrive, scarce economic capacity and a geographic and political periphery situation. In general, the sub-regions of the RCI present a disadvantaging situation regarding their own countries, with a shallow economic, social and also productive performance, making difficult the creation of richness.

The productivity and PIB per capita are situated about 70% of their own countries. The shallow corporate efficiency, associated to the innovation's low levels and laying on an unqualified manpower, is partly compensated by the employment growing rate that is superior to the population growing rate.

B- Gathering Information and Sample

The data's main source has resulted from the fulfilled inquiry by the different companies selected from the five sub-regions of the RCI. As a study sphere of action, were considered all sectors, whatever was the juridical form, with headquarters in the Portuguese Raia Central (RCP) and in the Spanish Raia Central (RCE) and were selected only the companies that had more than 10 workers. Reducing the sample of the different actors of the Raia Central Ibérica¹ is the one presented in table 1.

Table 1: Summary of companies studied in the RCI

	RCP			RCE	
	BIN	BIS	CB	Salamanca	Cáceres
Companies (Nº)	38	31	36	34	30
Percentage of Total of Companies (%)	14	16	13	13	7
Companies (Nº)	105			64	
Percentage of Total of Companies (%)	15			9	

C- Hypotheses

In this paper we analyse the satisfaction of companies of RCI in terms of governance systems and we verify witch factors or environment conditions were associated with the more satisfaction. For this propose we considered the set of variables: Popular Culture; Local Value Systems; Relationships; Culture and Leisure; Geography and Landscape; Local Labor Offer; Local Labor Offer of Qualified Workers; Academic Institutions; Social Approval; Personal Accomplishment; Openness to Information Circulation; Local consumers Knowledge; Local Business Structure; Local Dynamics; Security; Health; Environment and Traffic; Local Road Network; Telecommunication Infrastructures and Distribution Channels Available.

¹ Remark that obeying to the conditions previously exposed the analysis universe is the following : 699 companies of the RCP and 696 companies of the RCI (237 companies of the BIN, 193 companies of the BIS, 269 companies of the CB, 268 companies of the Salamanca Province and 428 companies of the Cáceres Province)

4- DATA TREATMENT AND RESULTS

In order to study the governance system in the RCI, we have aimed to analyze the entrepreneurs regarding their region, concerning a set of variables² (table 2), which embraces several dimensions and that are relevant territorial conditions which favours the performance of different sectors.

Table 2: Variables of Satisfaction of Entrepreneurs

Matriz de Componentes Rodadas

	Localization	Resources	Personal	Dynamics	Ambience	Infrastructures
Popular Culture	0,84	0,14				
Local Value Systems	0,81	0,17				
Relationships	0,64		0,20		0,11	0,13
Culture and Leisure	0,56	0,34		0,21		-0,22
Geography and Landscape	0,51		0,26	-0,38	0,14	-0,12
Local Labor Offer	0,18	0,78	0,13	-0,15		
Local Labor Offer of Qualified Workers	0,12	0,73	0,15	-0,11		
Academic Institutions	0,12	0,70		0,26	0,13	
Social Approval	0,22		0,84	0,20	0,14	
Personal Accomplishment			0,80	0,16	0,25	0,15
Openness to Information Circulation	0,19	0,40	0,50			0,16
Local consumers Knowledge				0,67		-0,12
Local Business Structure			0,27	0,58		0,22
Local Dynamics	0,26	0,36	0,28	0,45		0,15
Security			0,36	-0,12	0,78	
Health	0,14	0,45		0,27	0,64	
Environment and Traffic	0,36	-0,13		-0,26	0,46	0,20
Local Road Network		-0,11		0,12	0,35	0,71
Telecommunication Infrastructures		0,17	0,19			0,67
Distribution Channels Available		0,39	0,33		-0,16	0,49

Applying the factorial analysis to the set of variables that characterizes the governance system: Data Reduction Factorial of SPSS, we have obtained the six following groups of factors: 1- Localization, 2- Resources, 3- Personnel, 4- Dynamism, 5- Environment and 6- Infrastructures (Table 2), according to the variables of the inquiry. In table 2 we can see this analysis on factors that satisfied the entrepreneur in what concerns the governance system six components were identified, explaining 60% of variance with a KMO³ of 0,75.

² These variables were classified in a 0 to 3 scale, with the following correspondence: 0= Not Satisfactory; 1= Low Satisfaction; 2= Medium Satisfaction and 3= High Satisfaction.

³ The KMO is a statistic that allows to measure the value of adequacy and evaluate the correlations and since that according to Hill and Hill (2002), a figure of KMO inferior to 0,5 is unacceptable to do a factorial analysis, a figure equal or superior to 0,9 is “marvellous” and a figure of 0,8 is good.

Table 3: Factor Analysis: Satisfaction of Entrepreneurs

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1- Localization	2,72	13,58	13,58
2- Resources	2,54	12,70	26,28
3- Personal	2,18	10,92	37,20
4- Dynamism	1,54	7,70	44,90
5- Ambience	1,53	7,67	52,57
6- Infrastructures	1,47	7,33	59,90

Kaiser-Meyer-Olkin Measure		0,747638581
Bartlett's Test of Sphericity	Approx. Chi-Square	941,464338
	Df	190
	Sig.	0,000

In sequence of the analysis we have proceeded to the crossing of the variables using the independence test of Chi-Square, in the sense of gauging about the differences regarding the satisfaction of the governance systems of Portugal and Spain (particularly of the RCP and RCE) analyzing the influence of the contextual variables connected to the entrepreneurs' satisfaction concerning the local governance system, the level of the ICT's use and the governors' skills and in terms of problem's perception by entrepreneurs of the borders' both sides.

Thus, table 4 shows, considering the results of this test, if there are differences in the satisfaction levels between the two sub-regions in study the RCP and the RCE, regarding the local governance system.

The results put in evidence in Table 4, allow to conclude that the aspects concerning the telecommunication infrastructures; the distribution and commercialization channels; corporate contrive; consumers' claim; manpower supply with the required qualifications; social accomplishment; environment and traffic jam; geography and landscape; values' system and local culture; popular culture and sociability, do not put in evidence the differences between the RCP and the RCE regarding the levels of the entrepreneurs' satisfaction.

On the contrary, the entrepreneurs' satisfaction in terms of external road system; internal road system; Superior Education Institutions; manpower supply; Openness/transparency in the circulation of information; Professional fulfilment; Security; Health; Culture, Leisure and Dynamism are factors that distinguish the levels of satisfaction among entrepreneurs of the RCP and of the RCE. However, remark that the Spanish are systematically more satisfied than the Portuguese in the different dimensions of the system of local governance.

Table 4: Comparison of the Levels of Satisfaction between RCP and RCE

Chi-Square Results	X2	Prob.	Observations
External Road Network	12,05	0,07	V
Local Road Network	12,20	0,07	V
Infrastructure of Telecommunications	3,11	0,38	X
Distribution Channels Available	6,18	0,10	X
Business Structure	0,79	0,85	X
Local Consumers Knowledge	1,18	0,76	X
Academic Institutions	16,32	0,01	V
Local Labor Offer	6,73	0,08	V
Local Labor Qualified Offer	8,17	0,43	X
Openness to Information Circulation	12,57	0,06	V
Profession Accomplish	6,92	0,08	V
Social Approval	1,24	0,74	X
Security	7,86	0,05	V
Health	37,15	0,00	V
Environment and Traffic	4,28	0,23	X
Culture and Leisure	31,87	0,00	V
Geography and Landscape	1,48	0,48	X
Local Value Systems	4,62	0,20	X
Local Culture	3,55	0,32	X
Relationships	3,60	0,31	X
Local Dynamics	8,2999	0,04	V

An analysis to the general characteristics of the company in terms of the manager's qualifications and in terms of the ICT's use, Table 5 allows concluding that the manager's qualifications; the fact of the companies are connected to the Internet, Accomplish Operations of Electronic Commerce and Use the ICT's to be related with Clients/Suppliers doesn't establish evidence of the differences of satisfaction with the governance system in the RCP and RCE. Nonetheless, the fact that the company has Web Page and Computable Data shows different behaviours by the entrepreneurs in terms of satisfaction in both sides of the border (RCP and RCE).

Table 5: Comparison of the Levels of Utilization of ICT's between RCP and RCE

Chi-Square Results	X2	Prob.	Observations
Leadership Habilitations	1,56	0,46	X
Internet Connection	1,24	0,27	X
Web Page	3,12	0,08	V
Informatization of Business Data	3,89	0,05	V
Electronic Commerce Operations	2,04	0,15	X
Use of ICT's in relations to Clients and Suppliers	0,60	0,44	X

Regarding the problems' perception by the entrepreneurs in the RCP and RCE, the Chi-Square test also demonstrates functioning differences in the Portuguese and Spanish managerial structures (Table 6), particularly in terms of Lack of Economic Ability; Lack of Support by the Public Entities; Adversity to Change; Lack of Cooperation between Local Agents; Lack of Qualified Personnel and Lack of Information about the Markets. However, the contextual variables as Lack of Information about Technology Lack of Qualification/Education; the Aspects of Local Culture and the Aspects related to the Local Tradition don't present different influences in the problems' perception by the entrepreneurs which operate in the Portuguese part (RCP) or in the Spanish part (RCE) of the Raia Central Ibérica.

Table 6: Comparison of the Problems' Perception by the Entrepreneurs between RCP and RCE

Chi-Square Results	X2	Prob.	Observations
Lack Of Economic Capacity	12,03	0,01	V
Lack of Government Support	11,95	0,01	V
Resistance to Change	18,39	0,00	V
Lack of Cooperation Between Local Agents	19,84	0,00	V
Lack of Qualified Personnel	20,91	0,00	V
Lack of Information on Technology	9,24	0,26	X
Lack of Market Information	8,34	0,04	V
Lack of Education and Training	3,95	0,27	X
Aspects of Local Culture	1,03	0,79	X
Aspects of Local Tradition	1,70	0,64	X

In the data analysis we have also proceeded to the appliance of the cluster analysis methodology (K-means cluster), so that we could verify how the companies gathered regarding the levels of satisfaction with the local governance system. This methodological application has showed to be suitable and all the used variables revealed statistic significance to the found classification. The levels of significance of the tests F ($p < 0,05$) show that each factor has a differentiated contribute in the three groups according to Pestana and Gageiro (2000).

The cluster analysis has allowed identifying three groups of companies regarding the satisfaction of the entrepreneurs concerning the region's characteristics (Table 7). The first cluster, grouped in 86 companies, shows reduced results in terms of satisfaction. The second cluster, grouped in 40 companies with better results presents a medium satisfaction. The third cluster, with 42 companies, puts in evidence the best results in terms of satisfaction with the region's characteristics and with the governance system.

Table 7: Clusters Analysis

Final Cluster Centers	1 (n=86)	2 (n=40)	3 (n=42)
External Road Network	1,0	1,6	1,6
Local Road Network	1,0	1,5	1,4
Infrastructure of Telecommunications	1,3	1,8	2,0
Distribution Channels Available	1,1	1,5	1,8
Business Structure	0,8	1,1	1,5
Local Consumers Knowledge	2,0	1,7	2,2
Academic Institutions	1,0	1,6	2,5
Local Labor Offer	0,6	1,3	2,0
Local Labor Qualified Offer	0,5	1,0	1,6
Openness to Information Circulation	0,6	1,2	1,7
Profession Accomplish	0,7	1,4	1,9
Social Approval	0,9	1,4	2,0
Security	1,5	2,1	2,3
Health	0,6	1,6	2,2
Environment and Traffic	1,9	2,0	2,3
Culture and Leisure	1,3	1,4	2,1
Geography and Landscape	2,4	2,6	2,7
Local Value Systems	1,5	2,0	2,4
Local Culture	1,7	1,9	2,5
Relationships	1,3	1,7	2,2
Local Dynamics	0,9	1,3	2,0

As for the financial supports deriving from the Local Administration, from the Central Administration or from the European Union, we have noticed that, analyzing the results from Table 7, only the funds deriving from the Local Administration have influence upon the different levels of the entrepreneur's satisfaction. In effect, the differences between groups are significant for the financial supports deriving from the Local Administration, being cluster 3 the one that outstands from clusters 1 and 2.

Table 8 : ANOVA – Group Differences considering State Support Received

		Sum of Squares	df	Mean Square	F	Sig.	
Local Administration	Between Groups	0,42	2	0,21	2,61	0,08	1,2<3
	Within Groups	13,24	165	0,08			
	Total	13,66	167				
Central Administration	Between Groups	0,11	2	0,05	0,33	0,72	
	Within Groups	26,41	165	0,16			
	Total	26,52	167				
EU Funds	Between Groups	0,44	2	0,22	1,03	0,36	
	Within Groups	35,08	165	0,21			
	Total	35,52	167				
EU Initiatives	Between Groups	0,01	2	0,01	0,49	0,61	
	Within Groups	1,96	165	0,01			
	Total	1,98	167				

Regarding the clusters previously rated, we have verified that the entrepreneurs from the more satisfied cluster with the governance system are also the ones which have a major percentage of companies that introduce innovations mainly at the product level. As for the entrepreneurs' susceptibility concerning the existence of a collective learning effect in the region and the dissemination of know-how (exchange of knowledge, cooperation amongst agents, innovation dissemination), the groups of companies previously defined also present some differences: about 33% of entrepreneurs from cluster 3 say that there is learning effect in the region in opposition to the other clusters of companies with minor local satisfaction.

These results also reflect the fact that the entrepreneurs don't feel that there isn't a common identity in the studied region. In effect, in terms of local identity, the *most satisfied cluster* enrolls differences regarding the other *clusters: only for 14% of the entrepreneurs there isn't common local identity* (Table 9).

Table 9: Innovation and Learning

Percentages	Cluster Number of Case		
	1	2	3
Company Innovations	60,5	47,5	73,8
Product Innovation	47,7	37,5	59,5
Process Innovation	25,6	20,0	23,8
Organizational Innovation	25,6	20,0	23,8
Collective Local Learning Effect	22,1	7,5	33,3
Non Collective Local Learning Effect	30,2	45,0	14,3
Company Cooperative Arrangements	54,7	47,5	61,9

The governance system as to do with the set of institutional actors which have the ability to decide in the territory. It has a central role in the territorial process of innovation, through the projects they define, the regional politics, and also through the organization, local activities regulation and engagement modalities amongst actors.

The governance of a territory must function through locals (with interaction and sharing culture and history, development of trust in the local communities) cooperation networks (formal or informal) and trans-territorial and in a systemic perspective.

Regarding that (Table 9), we have realized that the cooperation networks aren't being privileged, however, it's in the group of entrepreneurs most satisfied with the governance system that enrolls a major percentage of companies which establish cooperation with the local actors.

Concerning to the conferred importance by the entrepreneurs to the cooperation to innovate with the different local actors (Table 10), we can conclude that there are significant differences amongst clusters regarding the following local actors, namely at the level of cooperation with companies from the group, at the level of suppliers, competitors and Local Public Administration (highlighting the most satisfied group from the other clusters, except in terms of competitors).

Nevertheless, we have noticed that the entrepreneurs don't value, differently, the cooperation with Clients, Consultants, R&D Institutions and Laboratories, Institutions of Superior Education, Development Associations, Managerial Associations; Central Public Administration.

Table 10: ANOVA – Importance of Different Actors to the Innovation Process

		Sum of Squares	df	Mean Square	F	Sig.	
Companies of the Group	Between Groups	14,85	2	7,42	4,17	0,02	1,2<3
	Within Groups	81,97	46	1,78			
	Total	96,82	48				
Suppliers	Between Groups	10,00	2	5,00	2,86	0,07	1<2,3
	Within Groups	80,41	46	1,75			
	Total	90,41	48				
Clients	Between Groups	3,76	2	1,88	1,13	0,33	
	Within Groups	76,16	46	1,66			
	Total	79,92	48				
Competitors	Between Groups	4,87	2	2,43	4,01	0,02	1,3<2
	Within Groups	27,91	46	0,61			
	Total	32,78	48				
Consultants	Between Groups	2,10	2	1,05	0,85	0,43	
	Within Groups	56,67	46	1,23			
	Total	58,78	48				
R&D Institutions	Between Groups	1,87	2	0,93	0,58	0,56	
	Within Groups	73,48	46	1,60			
	Total	75,35	48				
Academic Institutions	Between Groups	2,65	2	1,32	0,78	0,47	
	Within Groups	78,62	46	1,71			
	Total	81,27	48				
Development Associations	Between Groups	0,75	2	0,37	0,42	0,66	
	Within Groups	41,09	46	0,89			
	Total	41,84	48				
Business Associations	Between Groups	5,26	2	2,63	1,58	0,22	
	Within Groups	76,66	46	1,67			
	Total	81,92	48				
Central Administration	Between Groups	4,32	2	2,16	1,99	0,15	1,2<3
	Within Groups	49,89	46	1,08			
	Total	54,20	48				
Local Administration	Between Groups	8,32	2	4,16	4,17	0,02	1,2<3
	Within Groups	45,92	46	1,00			
	Total	54,24	48				
Workers Associations	Between Groups	0,67	2	0,33	1,56	0,22	
	Within Groups	9,82	46	0,21			
	Total	10,49	48				

5- FINAL REFLECTIONS

The economic literature, regarding territorial governance, allows concluding that one of the essential elements, in the analysis of the governance territorial system, is the evaluation that the present actors do of the performance of the entities responsible by its governance.

The assembled data and the appliance of the described methodology, allows pointing out that the evaluation of the governance territorial system is related to the satisfaction of the entrepreneurs of the Raia Central Ibérica and that there are differences at the satisfaction level between the two studied sub-regions, the RCP and the RCE, with the Spanish, systematically, showing more satisfaction than the Portuguese, namely in terms of road system, Institutions of Superior Education, the manpower supply, particularly with the required qualification, openness/transparency in the circulation of information, professional fulfilment, security, health, culture and leisure, and the region's dynamism.

The lack of economic ability, the lack of support by the public entities, the adversity to change, the lack of cooperation amongst local agents, the lack of qualified personnel, the lack of information about technology and the lack of information on the markets are also influent in the satisfaction regarding to the local governance system from both sides of the border.

Thus, we can point out that the financial supports deriving from Local administration influence the level of the entrepreneurs' satisfaction and that their major satisfaction towards the governance system has superior impacts at the level of introducing innovation, regarding the existence of a collective learning effect in the region and the dissemination of know-how (exchange of knowledge, cooperation amongst agents, innovation dissemination), of a common identity in the region and in terms of cooperation. Nonetheless, the relationships with the cooperation's nets aren't being privileged in the region, not carrying through a collective model of functioning and economic development of the region.

However, we can refer some limitations in the study which care for further analysis, particularly, a more wide sample of the companies and the analysis extension to others actors present in the territory: Institutions of Support and Assistance to the Managerial Activity; Technological Centres; Managerial and Development Institutions; Education, Training and R&D Systems; Universities and Polytechnics, Training Institutes and Technological Schools, among others, and the necessity to research with major accuracy other regions.

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