



Advancing Entrepreneurial Ecosystems Through a Place-Based Approach

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At the heart of every healthy ecosystem lies the transformative power of the place. Assessing an ecosystem's potential through a place-based approach is not just about focusing on its geographical advantages; it is about understanding and harnessing the unique combinations of resources and identities (i.e., political, economic, cultural, and community-based) that define a specific place. By focusing on these local assets, we can set an effective research agenda and policymaking to develop the environmental conditions (the fertile soil) and spur ecosystemic innovative activities.

In a world where technological advances and globalization waves are impoverishing ecosystems from meaningful relations and contributing to so-called placelessness, a place-based approach should stand as the cornerstone of local policymaking aiming for transformative change. This approach is rooted in the belief that every place holds a wealth of untapped potential waiting to be ignited by different groups of visionary leaders working together to shake the latent entrepreneurial spirit of the ecosystem.

Therefore, this brief emphasizes the role of place-based leadership in advancing the potential of local ecosystems where innovation and entrepreneurship are encouraged and deeply integrated with the local context and community values. It sheds light on the necessity of unlocking each place's inherent creative potential and channeling it towards meaningful collaboration between actors and sustainable and regenerative ecosystems.

Two fundamental concepts are incredibly connected: the role of entrepreneurial ecosystems and the place-based approach to leadership.

On the importance of considering entrepreneurial ecosystems as the unit of analysis for the development of places, a growing body of research is investigating activity as the individual behavior of entrepreneurs within a local context rather than focusing on entrepreneurial activity in isolation. Entrepreneurial ecosystems are dynamic communities of interdependent actors and system-level institutional, informational, and socioeconomic contexts that either work together or stay isolated depending on the characteristics of the place in which they are embedded.

These entrepreneurial ecosystems operate in specific locations or places. In this sense, a place-based approach differentiates the type of activities that are “place-based” from others that are placeless. When local drivers of economic development (such as entrepreneurship and innovation, among others) are place-based, they create a concern for all the actors living in a particular locale. They are fundamentally shaped by context and follow a transformative – not transactional – nature of relationships. Their potential lies in shaping collaboration rather than focusing on the individual; they bring a deeper understanding of the arrangements

to investigate the relationship between leaders, governments, institutions, and the community.

Therefore, places can be conducive to entrepreneurial ideas by focusing on how things are done through political, business, managerial, and community leaders sharing a place-based approach. Previous studies conducted in this line of research found that practices of protecting and revitalizing local assets, resources, organizations, and people opened up opportunities within local governance and across a place to attract new assets, resources, organizations, and people.

Identify and spread those practices implemented by ecosystems that work

It is fundamental to investigate which group of actors start initiatives, why (targeted events, serendipity, etc.), and how they set up the ecosystem; second, it is relevant to understand which practices work (or work) and why. Thus, by sharing the results, we can improve the value of the research and connect academia with policymakers and media to further spur the value of outcomes in space and time.

Identify whether entrepreneurial ecosystems are more effective in placeness than in placelessness settings

Investigating the specifics of local ecosystems (e.g., diversity, quality, services, etc.) should support policy initiatives that foster a “sense of place” through community engagement, cultural preservation, and sustainable infrastructure development. In addition, guidelines should be implemented that prioritize human-scale development, cultural heritage, and context-sensitive architecture. Acknowledge that entrepreneurial ecosystems are part of broader global processes. By recognizing the current global challenges (e.g., climate change, poverty, migration, hunger, etc.), it becomes fundamental to develop policies that address the sustainable development of places and resilience and encourage pragmatic solutions that consider the interplay between global imperatives and local realities.

Assess how place leadership initiatives are spread in surrounding regions

It is relevant to assess how knowledge spills over to surrounding ecosystems and places, which mechanisms best spread the knowledge, and which actors can act as boundary spanners for generating and replicating knowledge spillover effects.

The brief suggests five main policy recommendations to strengthen local ecosystems' potential and foster places' inner potential:

- 1. Investing in Place-Specific Assets:** Recognizing each place has unique assets and how they can spur innovation and entrepreneurship. New ventures can be launched as a reaction to locally sensitive issues, but they can become globally competitive if supported by the actors of the ecosystems.
- 2. Community-Driven Innovation Hubs:** The local community should represent a stakeholder and actor in shaping/generating the assets of the place. Establish community innovation hubs as a safe place for collaboration, knowledge exchange, and entrepreneurship. Identify existing community spaces (e.g., libraries, community centers) or request/allocate public funds to restore abandoned spaces and transform them into innovation hubs. These community-driven innovation hubs can facilitate networking events, workshops, and mentorship programs for local entrepreneurs, researchers, and

artists. Hubs will also encourage cross-sectoral partnerships to address regional challenges.

3. **Activate Mechanisms for Place-based Policymaking:** Strengthen policy capacity mechanisms to address challenges at the local level by developing training programs for local policymakers to enhance their understanding of place-based approaches; facilitate collaboration between federal, state, and regional development agencies, businesses, and research labs/education institutions. By connecting local talents, businesses, academia, and government, we create an ecosystem where ideas flourish and sustainable growth is achieved.
4. **Set up local investment funds:** Local investment funds can support place-based initiatives. A collaboration between development agencies and financial institutions should establish funds to be invested in local businesses, startups, and social enterprises. Funds should prioritize investments that align with community values, sustainability, and regenerative practices. Development agencies and universities/research centers should monitor the medium-long-term impact of these investments on local economic development.
5. **Cultivating a place's identity:** By leveraging the distinctive cultural, historical, and economic fabric of the place, ecosystems can build an identity (a sense of place) that is authentic and powerful, an identity that makes citizens proud of the place they live in. cultivating the place's identity means, for example, improve the heritage Preservation (e.g. historical landmarks, cultural sites, etc.), provide platforms for local artists to express their creativity, promote local cuisine and culture, and encourage the environmental stewardship through policies that prioritize sustainability (e.g., green building codes, renewable energy adoption, and waste reduction).