INNOVATIVE DEVELOPMENT MANAGEMENT PRACTICES IN A BORDER REGION: A CONSTRUCT PROPOSAL OF INNOVATIVE GOVERNANCE AND TERRITORIAL DEVELOPMENT

PRÁCTICAS INNOVADORAS DE GESTIÓN DEL DESARROLLO EN LA REGIÓN DE FRONTERA: PROPONDO CONSTRUCTO DE GOBERNANZA INNOVADORA Y DESARROLLO TERRITORIAL

PRÁTICAS INOVADORAS DE GESTÃO DE DESENVOLVIMENTO EM REGIÃO DE FRONTEIRA: PROPOSTA DE UM CONSTRUCTO DE GOVERNANÇA INOVADORA E DESENVOLVIMENTO TERRITORIAL

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Abstract
This article deals with innovative practices in the management of regional and territorial development processes, within a border region between Brazil and Argentina, and the different approaches regarding innovation management, entrepreneurship, and regional development. The general objective here is to study development management innovative practices in the Brazilian state of Rio Grande do Sul's northwest region, by proposing a construct which explains such processes. The study is characterized as a case study, exploratory and descriptive, of a qualitative nature. Data analysis and systematization allowed us to relate the identified empirical evidences, conceptual foundations, considerations from different authors and our own conclusive interpretations. Advances, innovations, and changes in society and organizations impact on the different concepts of management, governance, and territorial development. Representing and identifying the variables and their impacts, combined with the strategic and technological competence to lead and implement initiatives promoting sustainable development of regions or territories are one of the distinguishing building blocks. By presenting a set of innovative development management practices implemented in the area under study and because this region’s model developed its own territorial governance system, it constitutes an important theoretical
contribution to broaden the understanding of innovative governance processes and territorial development.

**Keywords:** Governance. Innovation. Entrepreneurship. Territorial Development.

**Resumen**
Este artículo versa sobre el tema de las prácticas innovadoras en la gestión de los procesos de desarrollo regional y territorial en una región de frontera y de los diferentes y nuevos abordajes sobre la gestión de la innovación, del emprendedorismo y desarrollo regional. El objetivo general es estudiar las prácticas innovadoras de gestión del desarrollo de la región de frontera, tomando como base la región noroeste del estado de Rio Grande do Sul, Brasil, proponiendo un constructo que explique este proceso de gobernanza innovadora y desarrollo territorial. El estudio se caracteriza como un estudio de caso, exploratorio y descriptivo, de naturaleza cualitativa. La sistematización y análisis de los datos, relacionaron las evidencias empíricas identificadas, los fundamentos conceptuales, ponderaciones de distintos autores e interpretaciones conclusivas de los autores del estudio. Los avances, innovaciones y cambios en la sociedad y en las organizaciones impactan en las diversas concepciones y conceptos de la gestión, gobernanza y desarrollo territorial. Representar e identificar las variables y sus impactos, combinados con la competencia estratégica y tecnológica de liderar e implementar iniciativas que promuevan el desarrollo sustentable de una región o territorio constituye uno de los pilares diferenciadores. Al presentar un conjunto de prácticas innovadoras de gestión del desarrollo implementadas en la región en estudio y, en consecuencia, el modelo a medida que esta región desarrolló su sistema de gobernanza territorial, constituye un subsidio teórico importante para ampliar la comprensión de los procesos innovadores de gobernanza y desarrollo territorial.

**Palabras-clave:** Gobernanza. Innovación. Emprendedorismo. Desarrollo Territorial.

**Resumo**
Este artigo versa sobre as práticas inovadoras na gestão dos processos de desenvolvimento regional e territorial em uma região de fronteira e as diferentes e novas abordagens para gerenciar a inovação, o empreendedorismo e o desenvolvimento regional. O objetivo geral é estudar práticas inovadoras de gestão do desenvolvimento na região de fronteira, com base na região noroeste do estado do Rio Grande do Sul, Brasil, propondo um construto que explique esse processo de governança inovadora e desenvolvimento territorial. O estudo é caracterizado como um estudo de caso exploratório e descritivo, de natureza qualitativa. A sistematização e análise dos dados relacionaram as evidências empíricas identificadas, fundamentos conceituais, ponderações de diferentes autores e interpretações conclusivas dos autores do estudo. Avanços, inovações e mudanças na sociedade e nas organizações impactam em vários conceitos e conceitos de gestão, governança e desenvolvimento territorial. Representar e identificar variáveis e seus impactos, combinados à competência estratégica e tecnológica de liderar e implementar iniciativas que promovam o desenvolvimento sustentável de uma região ou território, constituem um dos pilares diferenciadores. Ao apresentar um conjunto de práticas inovadoras de gestão do desenvolvimento implementadas na região em estudo e, consequentemente, o modelo dessa região desenvolveu seu sistema de governança territorial, constitui um importante subsídio teórico para ampliar a compreensão dos processos inovadores de governança e de desenvolvimento territorial.

Introduction

Transformations in society, the new and different approaches on development management, and the accumulation of competences and technological skills require new inputs of knowledge. Regions who seek to reach higher levels of development, thus becoming innovative territories, require the accumulation of new social/technological capacities and competences.

The changes occurred in the process of economic development and their relations with the territories in recent decades are characterized by instability, increased market competition and uneven growth among regions, according to Gorenstein's (2015) approach. To face these adversities and allow economic development, different agents have come together in several ways (production chains, local agreements, strategic alliances, networks, etc.). The objective of these unions, also understood as productive agreements, is to reach better levels of competitiveness that they otherwise would not by themselves. Thus, new forms of production organization emerge and become policy instruments for industrial and territorial development.

On the one hand, there are diverse forms of production organization at the root of regional development; on the other, there are different theories seeking to scientifically explain a region's economic dynamics. The Keynesian theory, for instance, describes economic circuits at national level, and market liquidity in a short-term context. As for the neoclassical approach, it bases its analysis on mechanisms instantly adjusted according to market variations (Chiarella; Guilmi, 2013 & Marcato, 2014). The most recent approach to innovative methods is arguably the most advanced on the topic, as it ponders on subjects such as innovation and entrepreneurship capacity, and on territory management and governance. (Dallabrida; 2015, Julien, 2010; and Moulart & Sekia, 2010).

This work has the general objective of studying innovative practices of development management in the border region (northwest region of Rio Grande do Sul, Brazil), by proposing a construct to explain the processes of innovative governance and territorial development.

In order that we structured this article in the following parts: first, the conceptual and theoretical foundations on regional governance and territorial development; second, the methodological references; next, the description and proposal of the territorial governance construct; and in the end, the final considerations and the bibliographic references.

Governance and territorial development

Territorial development and development processes management are both the subject of studies, reflections, and proposals from various spheres of society. In the dimension of development concepts and paradigms, we observe changes and evolution in their understanding. Development acknowledges contributions of various political, social, economic, technological, cultural, and environmental configurations ranging from economic growth, through concepts of spatial and territorial development to the current understandings (Dallabrida, 2011).

Development initiatives in regions or territories led by other structures and society institutions as churches, cooperatives, social institutions, and community organizations are positive and successful development experiences. Based on structures of social and economic organization, they have a cooperative and entrepreneurial spirit and are positive experiences of regional and territorial development (Fischer, 2002).

We recognize other variables which directly impact the regions’ development dynamics, such as: the geographic-spatial and geopolitical distance from population and power centers; demographics and the anthropological composition; the availability of natural (renewable or not) resources; the vicinity to regions with national or international borders; the existence of an institutional and organizational network in the region; leadership structure; the vision and the articulation for improvement; investments in research, science and development structures; technological and professional skills for execution; innovative and entrepreneurial capacity in order to generate production, work and income; and, last but not least, the addition of value (Büttenbender, 2010).

The initial verification of the topic is based on the magnitude, complexity, and variety of approaches, as for the recognition of contributions and for the several impact influences on the study, besides a deep understanding of the topic. Supporting long-term development processes which result
in sustainable development require regional governance dynamics capable of sustaining the participation and commitment of state structures, public-government agents, entrepreneurs, universities and other institutions and organizations of organized civil society (Veltz, 1995).

The definition of a development strategy results from the confrontation of distinct interests, which implies building development at multiple spatial scales and instances of power (Brandão, 2007). In the same train of thought, Vainer (2002) stated that in territorial development processes one must think of strategies from a multi-scale perspective, which requires the consideration of social, economic, and political factors.

Fischer (2002) points out that relationships between inter-organizational and inter-institutional actors, as well as management strategies, are cross-scale. In addition to other implications, we got to the conclusion that addressing and confronting problems must therefore be of a cross-scale nature, that is, to act and to work at all scales, not at a single one. Brandão (2007) reinforces that it is essential to build multiscale strategies for the analysis of the phenomena by which one wishes to intervene.

Addressing the issue of regional or territorial development requires looking at complexity and recognizing the importance of local society participation, the continuous planning of space occupation and the rewards of the growth process. The region is increasingly at the center of strategies aimed at competitiveness and economic attractiveness, and it is where social cohesion is strengthened. However, it is possible to generate better transversality in public policies with popular participation and hence, to develop a region with the help of institutions and its local leaders. (Veiga, 2006).

Development means growth (positive increases in product and income) and it represents transformations carried out to satisfy a variety of human needs, such as: health, education, housing, transport, food, leisure, and others. The publications of Veltz (1995), Boisier (1996), Sen (2000), Theis (2001), Becker & Witmann (2003), Méndez (2006) and Dallabrida (2011 and 2015) agree with the theme.

According to Mintzberg (2010), management encompasses planning, leadership, organization, and control of the efforts from members of the company, besides using all other organizational resources to achieve the established goals. Planning is defined as goal-setting process. Goals are nothing but specific results from the targets one wishes to achieve. The author defines planning as an administrative function that determines in advance which goals are to be achieved and what is necessary for doing so. He also draws our attention, that it is a theoretical model for future action. Strategic planning is an administrative tool that seeks to create an awareness of opportunities and threats, strengths, and weaknesses, for the fulfillment of its objectives, by analyzing an organization or region's environment. Strategic plans address long-term needs and establish comprehensive action guidelines, encompassing the entire organization. They set goals and actions to take and what resources are essential to accomplish them. It is through a more inclusive planning, with longer deadlines, that it is possible to map out the achieving of goals.

Mintzberg (2010) defines that there is a three-level planning hierarchy: strategic planning, tactical planning, and organizational planning. It consists on a long-term project where its effects will be perceived in the upcoming years. It also involves the whole company since it covers all its resources and areas, being defined by the organization's leadership as a major plan to which everyone is subordinated. Thus, it can be said that strategic planning focuses on the positive measures that an organization can take to deal with threats and take advantage of opportunities in its environment. Despite being a tool, most used in companies, in recent years several regions have adopted strategic planning to prepare their development projects.

Strategic territorial planning implies the collection of crucial information to deliberate on consistent options, in order to propose appropriate actions for the development of a given space (Allebrandt; Büttенbender; Siedenberg, 2010). We can define it as the systematic application of human knowledge to anticipate and evaluate alternative courses of action, and to make appropriate and rational decisions as a basis for future action. It is not only a technical, but also a political process once it involves finding technical solutions in the field of political decision-making, as well as creating attitudes of acceptance for planning decisions.

Peters & Pierre (1998) highlight three main elements that are inserted in the conceptual debate on governance, which are: (1) emphasizing the importance of networks with the argument that they came to dominate public policy; (2) relativization of the state's control capacity, arguing that it replaces the forms of direct control with the capacity to influence in the negotiation with
network members; (3) combination of public and private resources with the creation of just about formal partnerships between government and private sector actors in the governing process.

According to Fernández, Amin and Vigil (2008), the problem that has dominated the theoretical body of regional development lies in a group of inconsistencies, constituted by a "new orthodoxy" which guides the content of territorial development policies in both central and peripheral countries.

Dallabrida (2010) conceptualizes that territorial governance occurs through the action of different actors in institutions such as the state, civil society organizations, and in networks of socio-territorial power. Socio-territorial power networks is a term proposed to refer to each segment of the territorially organized society; its leaders constitute the main power structure that assumes hegemonic position, by giving the political-ideological direction to the development process in the course of history.

In terms of territorial governance, Dallabrida (2010) claims that the territory's planning and management implies the establishment of social dialogue processes, advocating they are based on the design of territorial governance. |He sustains the argument that planning and management of territoriality can be summed up to what we call territorial governance. Also, that the practice of territorial governance may result (i) in the definition of a sectional development strategy and in the implementation of the necessary conditions for its management, (ii) in the conception of socio-territorial pacts, resulting from forms of social dialogue, such as exercising collective action and, (iii) in the construction of a prospective vision of the future. A qualified practice of territorial governance is a fundamental prerequisite for planning and managing the territory from a collaborative and democratic perspective. The combined definitions, as well as governance and territorial development issues are lexicographic in the vocabulary about regional development and related topics (Griebeler y Riedl, 2017).

Methodology

The study is characterized as a case study, exploratory and descriptive (Yin, 2010), of a qualitative nature. The authors Triviños (1987), Bryman (1988), Delgado & Gutiérrez (1995) and Taylor & Bogdan (1996) clarify and argue that the research can be both qualitative at the same time.

Studying innovative practices of development management in the border region, based on the northwest part of the state of Rio Grande do Sul, proposes a construct that explains this process of innovative governance and territorial development. Regional development studies are based on social constructions, such as behaviors, competencies, beliefs, perceptions, and values. Therefore, the research methods here originate from this perspective, considering direct observation, qualitative interviews, and the participatory perspective (Easterby-Smith, 1991).

We structured this investigation based on six sets of actions: 1) the search for prior groundwork in the literature with an interface in the experiences, in order to define the investigation objective and its problems; 2) the establishment and delimitation of objectives, justification, and the research central theme and structure; 3) the theoretical and conceptual foundation of the main components and references needed to carry out the study; 4) the establishment and definition of the research typology and its processes, in order to have an instrumental and methodological support for the research; 5) the delimitation and diagnosis of the information, data and inputs for the description and analysis of the objective of the study; 6) the formulation of prospective and strategic proposals in regard to this research contributions, in particular when it comes to reference, orientation and complement to the environment we analyzed and to society, in order to help management and governance in the development process.

In order to meet the objectives of the study, the systematization and analysis of data related and contemplated the empirical evidence found, conceptual foundations, theoretical considerations from different authors and our own conclusive interpretations.

Territorial governance and development - The proposal of a construct

Management of regional development is based on the awareness of the dimension, the diversity and complexity of relationships and institutions involved. Simplicity implies superficiality in the development process support and continued sustainability over time. In this section we shall present a construct proposal for territorial governance of development and management, after addressing the structure and dynamics of the regional development councils, the economic-social
The approach and analysis of the discrepancies asymmetries to impact on development dynamics, based on innovation capacities, the promotion of entrepreneurship, the increase in technological, economic, social and environmental skills, and their inter-relations constitute the bases for a construct proposal of innovative governance and territorial development.

Different authors have recently sustained that development has a strong relationship with the standard of territorial socio-economic organization. Velz (1995) emphasizes that the development of territories (and development itself) currently depends on the density and quality of relations among actors; it depends more on collective action frameworks, on the soundness of projects and on the anticipation of the future than it relies on infrastructure and equipment.

If it is true that innovation results from economic logic (a model of territorial organization of production, configured by local business network), the understanding of the innovation process also requires the apprehension of a social logic (the institutional dynamics configured by the actors that personify societies oriented towards local development), considering that innovation is essentially the result of an interactive process of collective learning (Lopes, 2001).

The synergies of these factors can generate innovations from the qualitative intensity of local factors which boost competitiveness (universities, research centers or institutes, technical schools, etc.) and support the constitution of innovative territories. As a result of individual and collective learning processes, innovation leads to the accumulation of new territorial competences. The use of the term “territorial competence” in the etymological sense is the ability, the aptitude and capacity which allows a territory to offer better living conditions to the population, combined with the geographical focus. This process also requires a high institutional density and capacity for collective innovation towards the development of value chains within the territory. Fernández, Amin y Vigil (2008) refer to a triangle, which enables new strategies to promote development and overcome limited and regionalism approaches to development.

The study of the regional environment brings us the "Sabato Triangle" model, explored and proposed by Etzkowitz (2009), which presents the cooperation between the state (government), industry (entrepreneurs) and the University. The systemic interface between both results in the "triple helix" environment, included in Figure 1. The first vertex is the state, which comprises the institutions who aim to formulate and implement public policies and gather resources to the other two vertices, through legislative and administrative processes. The second one is the industry (productive structure), which covers the set of productive sectors providing goods and services demanded by society. The third vertex is the University (scientific and technological infrastructure). It comprises the following dimensions: (a) the educational system, which trains individuals involved in research activities (scientists, technologists, administrators); (b) the labs, institutes and R&D centers; (c) the system for planning, promoting, coordinating and stimulating research (councils, academies of science); and (d) the legal and administrative mechanisms which regulate research institutions and the financial resources applied to their operation.

This model was initially recommended for developed countries, by approaching knowledge management, development, and technology transfer. However, it became more suited to the reality and environment of developing countries and regions. This model indicates that the University (academy) assumes a dynamic positioning, capable of promoting cooperation and competitiveness of organizations (companies) in the region. The state located at the top vertex of the "Sabato Triangle" establishes a mutual relationship with the Academy, since some activities or objectives are cover-up. This link is complementary to the University-Business relationship, thus constituting a three-way relationship: university, business, and government (Dagnino, 2003).

The development management of the border region of Rio Grande do Sul (Brazil) needs a broader approach, by incorporating the trajectory of interfaces among policies, and between innovation and technology transfer programs, according to the triple helix cooperation system. There is a fragile investment structure articulated with consolidated strategies. The existence of a relevant institutional network based on government bodies, councils, universities, technological innovation poles, development agencies, trade unions, plus a number of recognized programs and projects do not present enough focus and intensity to leverage a sustainable path of development.

Despite being relevant and highly timely, the existing initiatives are isolated and limitedly reflect the investment interface of public-state resources, the focus and emphasis on academic projects and the demands from businesses and productive processes. The absence of a strategic plan...
for scientific and technological development for the northwest region supports the proposal and maintenance of important, but isolated or insufficient initiatives. Combined, the companies' modest investments in research and development reveal the limited understanding of how meaningful innovation is. Even when more intense learning processes are installed, and there is innovation and accumulation of new technological competencies, such facts are a far cry from the industry's technology frontier, and also from the technical and economic performance of the firms. These definitions also corroborate previous studies focused on the metal-mechanic industry (manufacturer of, among others, agricultural machinery) as published by Büttenbender (2010).

Etzkowitz (2009) emphasizes something correlated with the diagnosed regional environment. He states that innovation must not only take into account the development of new products in companies, but also the creation of new agreements by institutional spheres to foster innovation conditions. The diagnosis to the regional issue reveals a disconnection among the vertices of this triangle. A possible solution to the question of technological innovation includes approximation, alignment, integration, and cooperation of these institutions since it presupposes a direct integration of the state, the science carried out at the University and the technology developed in the industry (companies).

The existence of still incipient productive agglomerates, such as local productive groups (aka APLs) demonstrates a fragility in the promotion of collective and inter-organizational learning. Several production systems are evident, such as elements of the production chain as seen in food chains, metal mechanics, manufacturers of agricultural machines, furniture, and clothing. However, the relationships between firms are limited to the customer-supplier chain and the outsourcing interface. The stimulation of productive clusters can result in new learning processes, in the accumulation of new technological competences and innovation. Through the actions of clusters and productive integration, there is the creation of new collaborative spaces between universities, companies, and the government.

From the delimitation of asymmetries and discrepancies noticeable to the development process, the foundations are constituted for the formation of innovative territories, based on entrepreneurship and on the knowledge economy, which suggest the combination of investments in technology, innovation, and entrepreneurship. The triangular combination, from the point of view of Julien (2010), recognizes the relationships intra (within each vertex), inter (among them three) and extra (between each of the vertices within the external space context in which they are inserted), as shown in Figure 1.

The region presents the required investments in qualified research and development structures, which favor the accumulation of technological skills focused on productive chains. Raising the bar of technological functions with the ability to perform more advanced and compelling technological functions becomes a must. Providing new learning processes with greater intensity and interaction will incorporate new skills and innovation capabilities, as proposed by Figueiredo (2009).

The increase on the capacities to generate technological solutions and the optimization of the competences to conceive innovations suggest investments to improve the entrepreneurial environment. As Julien (2010) points out, the constitution of opportunities and differentiated levels of value creation will depend on the capacity to generate innovation and market breakthroughs.

Developing favorable environments with skills to transform technological, productive and innovation capacities into new opportunities to add work and income; undertaking new business in any of the two links of the productive chains, either independently or inserted in other production systems; the economic and productive network requires the stimulation of entrepreneurial capacities, increasing and improving the addition of value and the generation of new work opportunities and income. With the economic strengthening, environmental balance, and social equity, learning processes will be nurtured again with the aim of accumulating new technological competences and innovation capacities.

In the perspective of the development matrix construct and territory progress, the third set of variables (economic, social, and environmental) sums up to the pillars of sustainable development, in accordance with Elkington (1998) and Días (2009). The pillars are also explored by Sachs (2004), who adds the political and territorial variables to form five elements. Without being tautological regarding the previous approaches, this matrix analyzes the three pillars suggesting for the studied region efficient economic development, social equity, and environmental balance, as illustrated in Figure 1.
This approach reinforces the contributions of Veiga (2006), as it synthesizes that sustainable development combines four indicators: a) living a long and healthy life; b) being instructed; c) having access to the necessary resources for a decent standard of living; and d) being able to participate in community life. Such definitions corroborate with the contributions of Almeida (2007), when he argues that sustainable development is related to power structures and their interfaces amid governments, companies, and civil society organizations.

The sustainable development of the region points to the governance structures of regional development and more specifically to the socio-territorial governance structure as defined by Dallabrida (2011 and 2015). The combination of strategies based on a key development plan are capable of sustaining the participation and the commitment of state structures, public-government agents, entrepreneurs, universities and other institutions and organizations of organized civil society, by taking into account the dynamics of regional governance.

The definition coincides with Veltz (1995) when he points out that the process of sustainable development of a territory requires: a) the competence of its collective cadres of action and leadership; b) local competition for the constitution of internal and external networks, from different local social organization; c) the ability to build consensus on a future vision; and d) the density and quality of the interaction among leaderships with the presence of solid and active institutions.

The analysis of the regional context under study suggests an integrated and systemic approach to the three models addressed above: a) development management based on the "Sabato Triangle" (state, industry and university); b) development management based on innovative territories (technology, innovation and entrepreneurship); and c) the pillars of sustainable development (economic, social and environmental). The formulation of a new construct that systematically relates the three groups of models, where each particular set detailed above reveals the triangular combination that recognizes the relationships intra (within each vertex), inter (among the three vertices) and extra (between each of the vertices within the external space context in which they are inserted).

The justified exploration on the region’s development as a subject suggests the need to recognize the set of antecedents, conceptual references, the complexity of the issues, the amplitude of the relationships involved, and the accumulation of strategic competences and superior technology. The individual approach to each model tends to a linear and simplified approach to the dimension of the subject. Therefore, associated with the context of its historical-evolutionary trajectory, the amplitude of relations and the variety of factors involved in the sustainable development of a Mediterranean region, it presents additional challenges, suggesting a combined, systemic, and interdependent approach. Yet, it proposes a new construct of innovative governance and territorial development, as shown in Figure 1.

In addition to objectively identifying the combination of the three sets (each one based on its own conceptualization), it is possible to verify and identify the triangular, synergistic and integrated combination, which in turn forms an innovative and differentiated construct proposal of analysis and management from regional and territorial development processes.

The proposed construct reports on the role and importance of the leaders in managing development processes, attributing asymmetries between the importance and the relationships of cause and effect. It coincides with the model of the sustainability triangle (3 D's model) proposed by Mauerhofer (2008), not diminishing the degrees of importance and the disciplinary paradigms, though. The processes, stages, and competencies of management inherent to the development trajectory of regions and territories may obtain important contributions from other authors.

According to Popper (1982), in the field of applied social sciences, incorporating the responsibility of proposing a construct of innovative governance and territorial development justifies appreciating and recognizing the possibility of its refutability, so it cannot be considered an absolute or definitive truth.

The process of development based on the construct proposal of innovative governance and territorial development concerns a set of strategies that can enhance promising initiatives in the processes of management and governance of development of regions and territories.
As detailed in the study, the concepts of development vary over time and are supported by different schools under the scope of the territory in question. Follows next the strategies adopted over a time span of more than sixty years, starting by the modernization in the 1950s; the decoupling over the 1960s; the basic needs assessment in the 1970s; the natural adjustment during the 1980s; the sustainable development in the 1990s; the global governance by the late 1990s; and the medium-term strategies of socio-territorial pacts, plus the constitution of innovative regions from 2000 onwards. The established constituent elements of development call the attention for regions capable of investing in research, science, and technology, along with the territory’s productive systems.

The bases of sustainable development in the knowledge society are identified in strategies focused on cooperation networks involving the public power (structure of the state at all levels), companies (entrepreneurs), universities (research and development centers, schools at all levels) and community organizations (churches, NGOs, associations, cooperatives, unions, and so forth).

The dynamics of globalization, or the globalization of strategic and technological skills are territorially oriented insofar as they impact the economic dynamics of territories, regions, cities, or places. As territories are affected by local actors in line with global changes and progress, they establish their own dynamics of territorial development. Territories can present innovative characteristics when they increase value added, generate new employment and income opportunities, incorporate new technologies, strengthen social relations and the sustainability and governance of the territory.
Faced with the asymmetries and discrepancies that impact the dynamics of development in the territory under study and the components of the proposed construct, here are the strategies proposed to enhance development initiatives:

1. Composition of a regional socio-territorial pact, encompassing leaderships of the public power, companies (entrepreneurs), universities (R&D centers), and community organizations, articulated from the Regional Development Councils.

2. Strategy to accelerate territorial development with investments in the qualification of public management, with more integration among public policies at federal, state, municipal and regional levels. Implemented actions at regional level through public consortiums and regional public agencies (Dallabrida et al., 2010; Dallabrida, 2011 and 2015), to enable the achievement of projects, capabilities and actions to enhance the application of resources, the rationalization of structures and means, and the optimization of results and impacts on regional development.

3. Investment strategies in R&D, technological and productive extension, innovation, cooperation of productive chains with science and technology structures, universities, technological innovation poles and technological generation centers, dissemination, and extension.

4. Project of investment in logistic, communication and technological alternatives, with the aim of promoting economic development, social equity, and environmental sustainability.

5. Stimulating innovative-technological-territorial entrepreneurship, prioritizing productive initiatives with high technological performance and value, stimulating the formation of local and international cooperation networks based on development and the accumulation of strategic, technological, and business competences.

6. Expand investments in technical-professional education and training processes, at all levels, combining and promoting initiatives which human and technological areas have undertaken, to applied social sciences, engineering, and technology.

7. Proposing the development of Mediterranean and cross-border regions, guided by participation mechanisms, public policies, programs, projects and resources for induction and positive discernment in development processes. Finally, turning ventures and investments more attractive, as well as the training and the retention of professionals, by constituting an entrepreneurial and innovative territorial environment.

The proposed strategies require the complement of programs, projects and actions based on the regional development planning and strategic management, and the concretion of dynamics to allow the stimulation of development processes. Strategies over the period will incorporate new challenges and changes, acknowledging new variables beyond the objectives of this study, which should motivate continuous improvement, periodic review, the relevance and update of strategies and priorities. This recognition suggests the promotion of a management system of innovative governance and territorial development.

Final Considerations

Advances, innovations, and changes in society and in organizations impact on the various conceptions and concepts of management. Development processes generate innovative practices in territorial management and governance. Representing and identifying the variables and their impacts, combined with the strategic and technological competence to lead and implement initiatives which promote a region or territory’s sustainable development, constitutes one of the distinct pillars.

Our main challenge in this study was to relate the evolution of the trajectories regarding the accumulation of technological competences, the innovation, and entrepreneurship as a process of governance of territorial development. The propositional reflection from theoretical foundations, the empirical experience from the organizations’ issues, the university and the region generated the possibility of contributing with original and differentiated perceptions, by proposing an innovative and territorial governance construct for development.

Based on the contributions generated, it offers the proposal of an innovative and territorial governance construct for development. However, the foundations and bases of the construct allow its replication in studies of other regions and territories. This study can trigger reasons for new research due to its nature and amplitude.

Being both a Mediterranean region and an international border, the region’s traits raise a question: which behaviors may arise from exogenous investments or changes in politics, economy, commerce, and culture in a context of international border relations? The region’s future development will be the result from a mix of its own strategic and technological competencies.
involving the present institutional network, besides policies and programs led by exogenous agents. The constitution of a system of internal and external relations and their many variables must be sustained by investments in research, science, technology, and in the formation and training of local agents and actors of development. This dynamic will be highly determinant to constitute an innovative and entrepreneurial territory with an increased development dynamic, promoting the addition of economic value, social equity, and environmental sustainability.

It is important to remark that the proposed construct results from research based on national and international conceptual foundations. Its territorial reference is maintained in the northwest region of Rio Grande do Sul’s state. Therefore, due to the specificity of the dynamics of this region, it is possible that the pertinence, relevance and weight of the variables which constitute the proposed construction have their own logic, which suggests a contextualized observation in other territories, so that its generalization is not recommended.

The offer of this construct is a contribution for new academic studies on the theme of management and governance of territorial development. In addition, it can subsidize public policies to promote the sustainable development of territories and countries at multiple scales.

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