

Leadership

in Urban and Regional Development

hal.kajo.316



MDP in Administrative Studies
Local and Regional Governance
MDP in Leadership for Change (LFC)

Whatever we think about individual leaders
and their capacity to lead, we know all too
well that leadership is a real phenomenon
and worth exploring in more depth

(Keith Grint)



Photo by [Donald Janssen](#) on [Unsplash](#)

[Hal.kajo.316](#) explores what place leadership is, the difference it makes and why

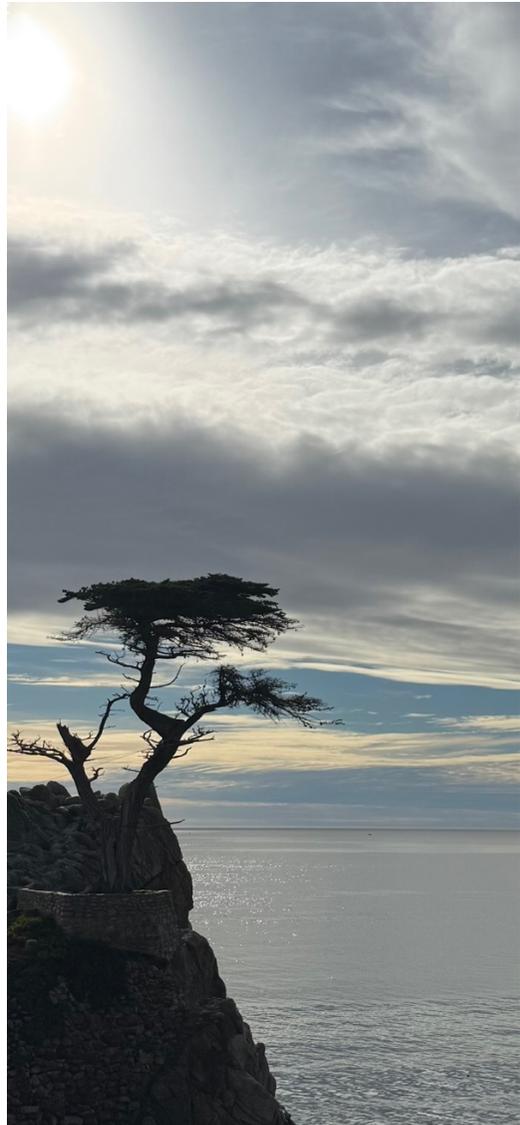
[Hal.kajo.316](#) introduces and explains place leadership theory and presents and discusses leadership in a variety of settings

[Hal.kajo.316](#) sheds light on local and regional development dynamics

What?

- The complex interaction between leadership, institutions and economic development of cities and regions.
 - How do actors cope with and direct open-ended, multi-actor and potentially conflicted development processes (or fail to do so)?
 - Who are the actual leaders?
 - What kinds of power do leaders have?
 - How do they exercise influence?





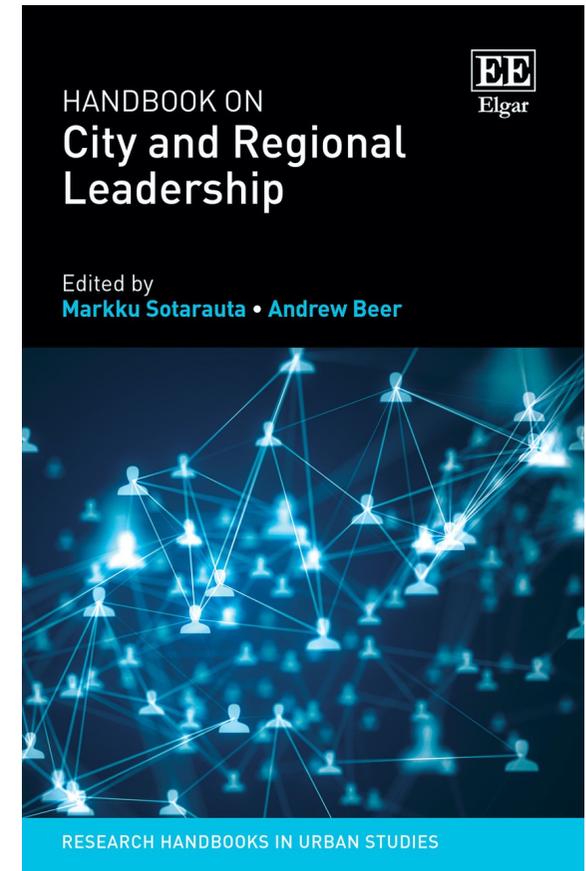
The material is here:

- www.sotarauta.info -> teaching -> HAL.KAJO.316
- **Please note!** Moodle is **NOT** used

Reading

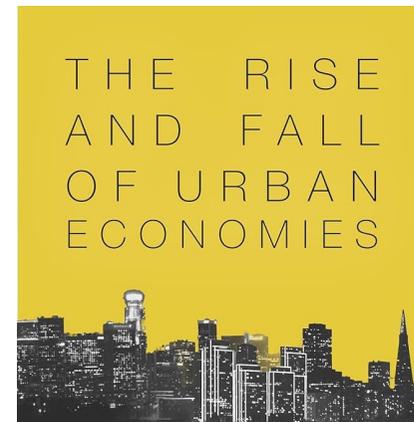
- The handbook is available at the TAU Library
 - Read introduction (ch. 1)
 - Read two free-choice chapters of 3-9
 - Read two free-choice chapters of 10-19
 - **NAME the chapters you read**

Article: Bellandi, M., Plechero, M. & Santini, E. (2021) Forms of place leadership in local productive systems: from endogenous rerouting to deliberate resistance to change. *Regional Studies*, 55(7) 1327-1336



Online lectures

- Seth Godin: Leadership vs. Management - What it means to make a difference (42:55)
- Michael Storper: The Rise and Fall of Urban Economies - Lessons from San Francisco and Los Angeles (65:41)



Lessons from San Francisco and Los Angeles

Michael Storper, Thomas Kemeny,
Naji Makarem, and Taner Osman

Tuni-Exam

- The Tuni-Exam will be open from April. 21 to April 28
- Remember to book yourself a slot during the above opening period

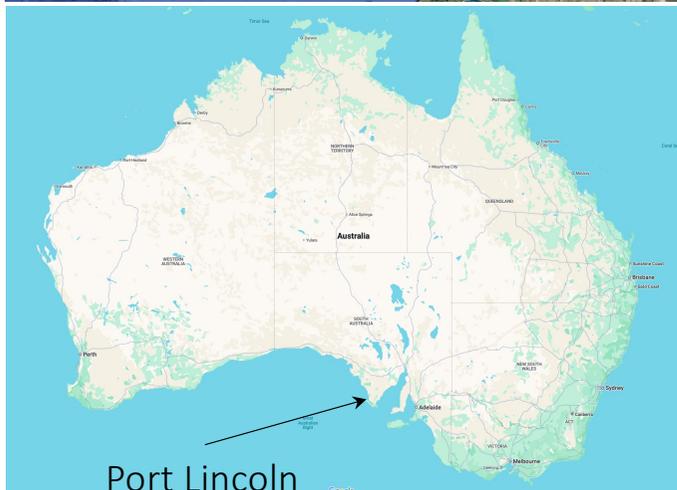
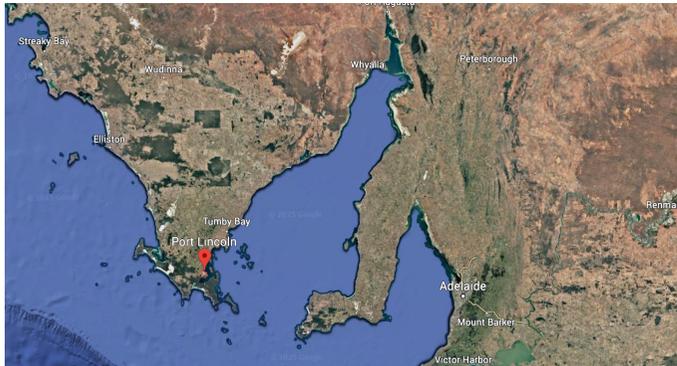


- In the system, there will be three thematic questions for contemplation.
 - One focusing on the handbook chapters
 - One focusing on the article and other additional material
 - One focusing on the lectures
- When discussing the questions, introduce the main arguments and other important points of a course through your observations and interpretations.

The rejuvenation of the tuna industry in Port Lincoln



Port Lincoln – the seafood capital of Australia



- Population appr. 14 000
- Sparsely populated region
- Broad-scale agriculture (wheat and wool production) and fishing
 - Prawns, whiting, garfish and snapper, abalone and Southern Blue Fin Tuna (SBT)
 - The SBT industry since the 1950's, supported canning industry

Substantial economic crisis in the late 1990s and early 2000s

- The overfishing of SBT slashed quotas from 15 500 tonnes to just 5 265 tonnes (Neindorf, 2020)
- Competition from Mexico and Thailand intensified

The rejuvenation process and place leadership

- The licences to fish for SBT were held by just five individuals
 - Were strongly connected to each other and others within the community
- Collaboration with the Japanese Overseas Fishery Cooperative Foundation - experimenting with wild capture and farming for consumption as fresh product
- Instead of canning, tuna was chilled and taken by airfreight to Tokyo - price more than fifty times greater than the canning price
- Several supporting investments and innovation: the upgrading of the local airport, the Seafood Collaborative Research Centre (South Australian Government), Adelaide-based universities' Marine Science Centre
 - Partnered also with the Regional Development Board, the local Chamber of Commerce, and industry associations



(Kroehn et al 2010)

The place leadership questions

The answers

Who exercised place leadership through **informal** authority (person)?

Five industry leaders with their international collaborators reinvented the local tuna industry and successfully experimented with a new business model.

They were able to **reinterpret** the industry and create a **vision** for it and **mobilise** all the **assets** needed in the implementation of the strategy.

Who exercised place leadership through **formal** authority (position)?

South Australian Government, Adelaide-based universities, the Regional Development Board, the local Chamber of Commerce, and industry associations **supported** each in their way implementation of the rejuvenation strategy

Where did place leadership take place (place and institutional context)?

Informal “cappuccino club” of the five leaders was central in coming up with a new strategy. The stakeholders were mobilised through varying formal and informal channels and forums.

The place leadership questions

The answers

What kind of place leadership style was adopted and what influence strategies were used (process)

Network leadership: (a) Informal mobilisation of local networks, the five competing industry leaders mobilised themselves despite being in direct competition. (b) Formal mobilisation of all the key stakeholders.

Why was place leadership exercised (purpose)?

Interpretive leadership: The five place leaders were able to provide a convincing vision of the future of tuna industry and locate a new competitive advantage locally

What was achieved by place leadership (performance)?

To save the tuna industry in Port Lincoln, to take up locally evident opportunities

The business model of the local industry was redefined, and the profitability of business increased, there was significant new investment and employment

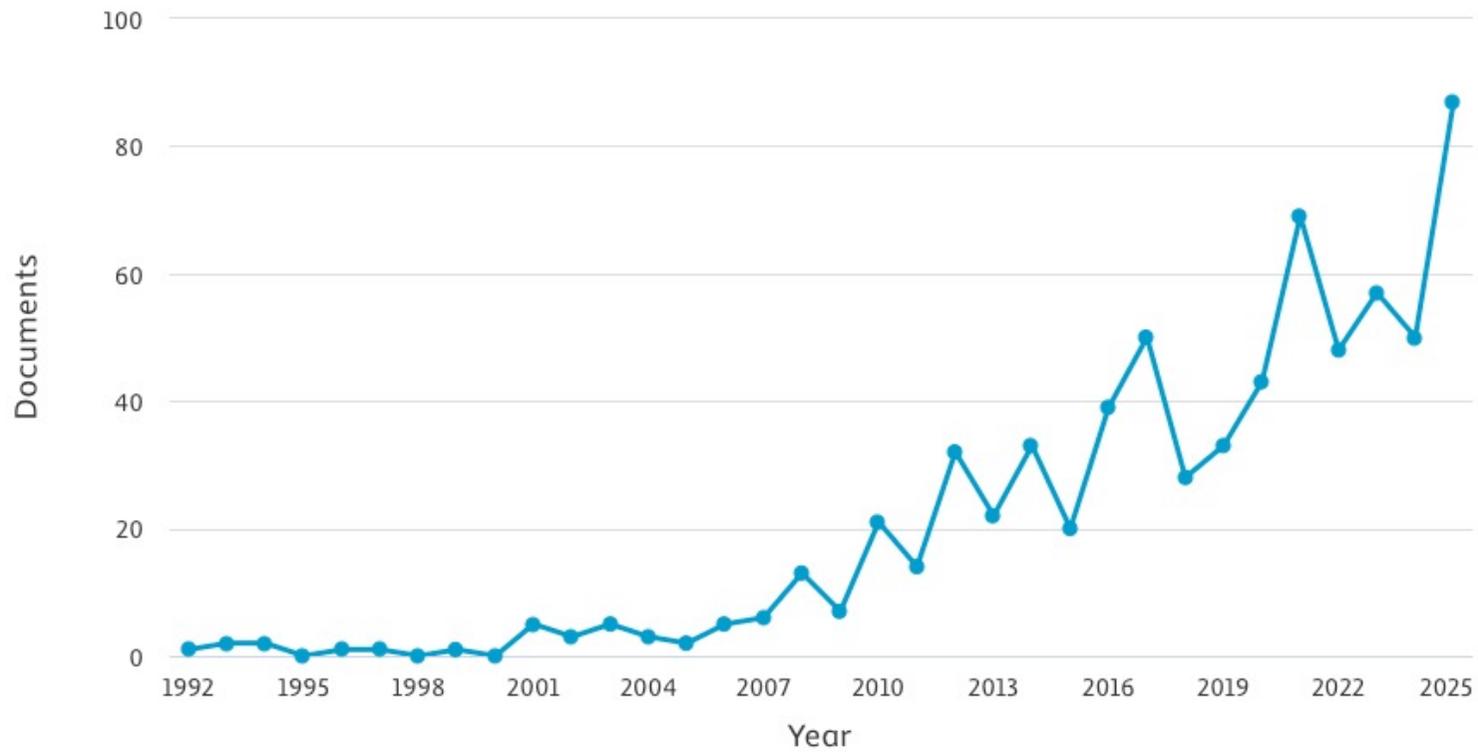


Why leadership in city and regional development?



The number of 'place leadership' publications in Scopus, from 1990 to 2025

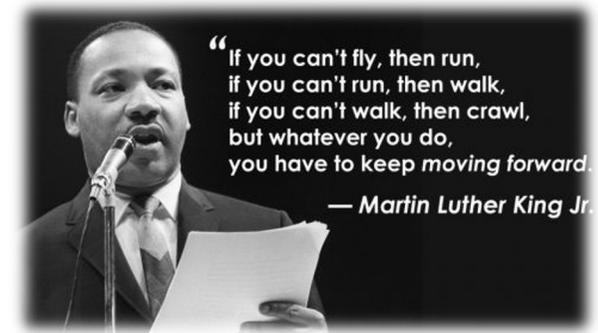
Documents by year



The questions

Why is leadership important in city and regional development?

What kinds of leadership are required in city and regional development?



“Management is doing things right;
leadership is doing right things”

(Peter Drucker)

“Leaders are those actors who more
than others influence social activities”

(Bernard Bass)

“Do individuals make history, or does
history make individuals who make
history?”

(Richard Samuels)

- **Who are they?**
 - No pre-selection based on assignments or formal positions
- **How do place leaders influence** the course of events and aim to change the very same institutional setting in which they are embedded?

- **What are leadership strategies** like in differing governance settings?
 - How do they establish new governance and power systems, how do they deploy the existing systems of power and governance?
- **What is the soil like** where place leaders emerge, operate, and learn their skill?

What is the right place for individuals
in economic transformation of
regions/localities?

”Do individuals make history, or does history
make individuals who make history?”

(Richard Samuels)

Who influences whom, how,
for what purpose,
and in what kind of context
– and with what outcomes?

(Sotarauta, Beer & Gibney 2017)

Why place leadership

- Growing (but still limited) literature, and emerging consensus, on the nature, origins and expression of place leadership
 - A series of studies concluding the problem is poor leadership
 - Place leadership was for long the missing factor in the regional development puzzle
- Mismatch between policy recommendations and knowledge on how to do it all
 - The perils of reactionary policies
 - Neglected power and politics
 - New modes of governance
 - Every-day complexity
 - Hollow rhetoric of poor leadership or lack of leadership

Three basic senses of place

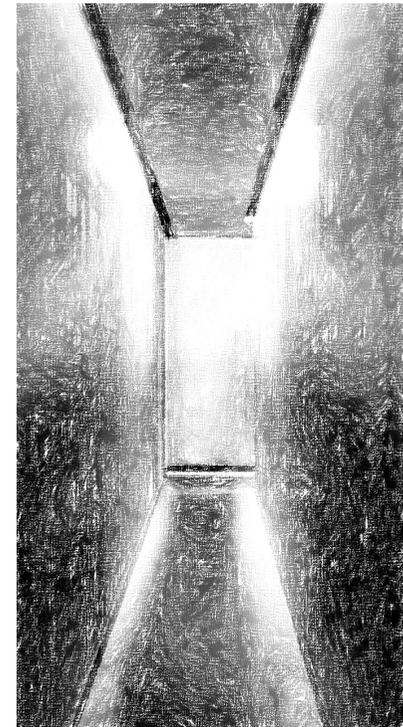
- **location**, which is the fixed geographical coordinates of a precise physical location
- **locale**, which is the idea of place considered as the material setting for social relations
- **the sense of place**, which is the subjective emotional attachment people have to places they inhabit

(Collinge and Gibney, 2011; Cresswell, 2004).



Place is a unique setting for leadership

- Many complex wicked issues
- Ever-changing: Subject to unanticipated & episodic 'crises'
- Highly differentiated (history, geography, culture, language...)
- Multiple identities
- Highly emotionally charged – irrational
- Places are not isolated – but are connected to, and influenced by external events
- The differing knowledgeability within and between place(s)





Positioning - how to know who leads?



Traditional views

Vision

Inspiration

Communication

Charisma

Position

Money

Personnel

...

The Hitler Problem

Was Hitler a Great Leader?



From Wikimedia Commons, the free media repository

The Hitler Problem

Was Hitler a Great Leader?

- He mobilised people - resources and capabilities of a nation
- He communicated a powerful vision
- He was charismatic and inspiring

BUT

- He was exploitative, self-serving, manipulative, ignored human good and was morally disastrous

Charismatic leadership theory

- A strong role model
- Highly competent
- Articulate ideas and morale positions
- High expectations

(House 1976)

Leadership as rule of the masses (Leo Tolstoy)

Leadership by small groups of office holders

(Elcock, 2001)

Three types of leaders – urban & regional development perspective

(Sotarauta 2016)

Bureaucratic leaders

- lead their own organisations
- do what they are supposed to do

Assigned leaders reaching beyond

- lead their own organisations but also aim to influence actors beyond their formal assignment
- aim to exercise influence by, with and through other actors.

Non-assigned leaders

- willingness and capabilities to take leadership position
- do what they are not supposed do but what they feel needs to be done.



	Assigned	Non-assigned
Formal authority	Influential actors having a legitimised position in a public, corporate or some other governance system and an obligation to work for local and regional development	Influential actors having a legitimised position in a governance system but no obligation to work for a place and boost its development
Informal authority	Champions of civic and voluntary organisations with proclaimed objectives to shape local/regional development	Actors without a legitimised position in a governance system and no obligation to work for a place and boost its development

Do the constraints put in place by governance systems lead us?

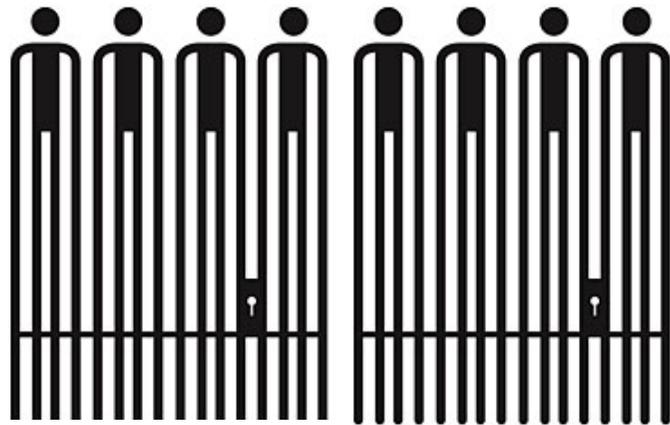


Image credit: New York Times

The best of the actors stretch the constraints they face and navigate through complex events, networks and governance systems.



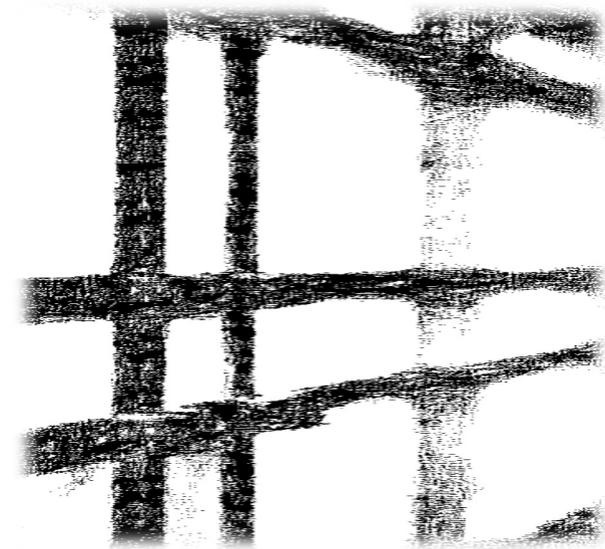
Constraining and enabling elements

Governance systems

- dictate resources and formal position of the local development work, and thus also to leaders

The financial capacity

- affects the local capacity to manoeuvre and the space local leaders have for their action

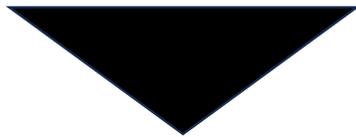


“English cities and regions ... need to be innovative. But, local leaders ... do not have a strong enough position to work with, by and through their networks to secure a smooth transition ... Consequently, comprehensive and systematic local strategies for transition may suffer from lack of place-based leadership.”

(Ayres and Beer, 2018)

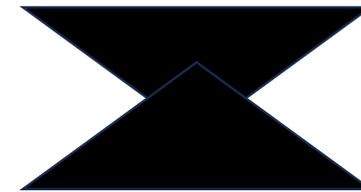
Centralised systems of government (UK, AUS)

- less likely to foster the rise of place-based leaders
- more likely to follow top-down policies impeding local initiatives
- fiscally dependent on the national government
- generate adverse conditions for local leaders



More devolved systems of governance

- more likely to adopt a more strategic and place-specific (nuanced) approach to local development
- localities/regions seen as the authors of their own development, instead of mere recipients and objects of top-down policies
- May lead to fragmented systems



Finland and South Australia

Place leadership / governance comparison

(Sotarauta & Beer, 2018)

Finland	South Australia
Finnish respondents to the survey tended to be older, better educated and more experienced than their Australian counterparts	
25 % of Finnish respondents held a PhD and fully 75 % held a post-graduate qualification, 3 times the rate for Australia.	
Specialist degrees in the social sciences, regional studies, technology or business	Business degrees dominant
60 % had been associated with regional development for 15 years or more	16 % had been associated with regional development for 15 years or more

Finland and South Australia

Place leadership / governance comparison

(Sotarauta & Beer, 2018)

Finland	South Australia
PL grounded in <ul style="list-style-type: none">- well-developed public sector institutions- with specialist staff- with specialist training	PL dependent on the voluntary efforts of individuals from the private sector and the broader community.
PL embedded in a complex governance setting	PL indirect - the centralizing tendency of central governments vs. independently-minded local leaders
Fairly open	Less open (reflected in a reluctance to debate regional needs publicly, as well as a lower level of engagement with residents, the community and voluntary sectors)

Finland and South Australia
Place leadership / governance comparison
(Sotarauta & Beer, 2018)

Finland	Australia
PL institutionally based Authority derived from inside government	PL individualised Authority derived from outside of government
A co-ordinated market economy	A liberal market economy

Place leadership, as it finds institutional expression in Finland, is one manifestation of **strategic interaction** amongst firms, public agencies and other actors.

Is this type of interaction more common in co-ordinated market economies than in liberal market economies?

Then again

Identification of formal local leaders, percentage of respondents in affected regions and broader metropolitan areas (Source: Community Survey 2021)

	Metropolitan Region	Affected Regions
Mayor	47.4	45.4
Local Councillor	49.6	45.1
State Parliamentarian	63.6	59.6
National Parliamentarian	56.9	58.1
Business Leaders	37.4	53.3
Community Organisations	34.3	54.3
Sports Leaders	15.2	35.2
Religious Leaders	12.8	26.6
Other	2.7	5.7

In regional and city development
heroes are scarce

Almost every place leadership study
shows that leadership is more relational
and collaborative rather than
heroic and individualistic

(Beer, Sotarauta and Ayles, 2021)

PL is **not** about
hero worshipping and
happy family stories

Is this changing?

Place leaders may not be great leaders – in a traditional sense – with strong institutional positions or abundant resources, but they lead processes from the middle by influencing thinking and network formation.

Management

- Executing goals
- Fine-tuning what already is
- The visible and the predictable

Place leadership

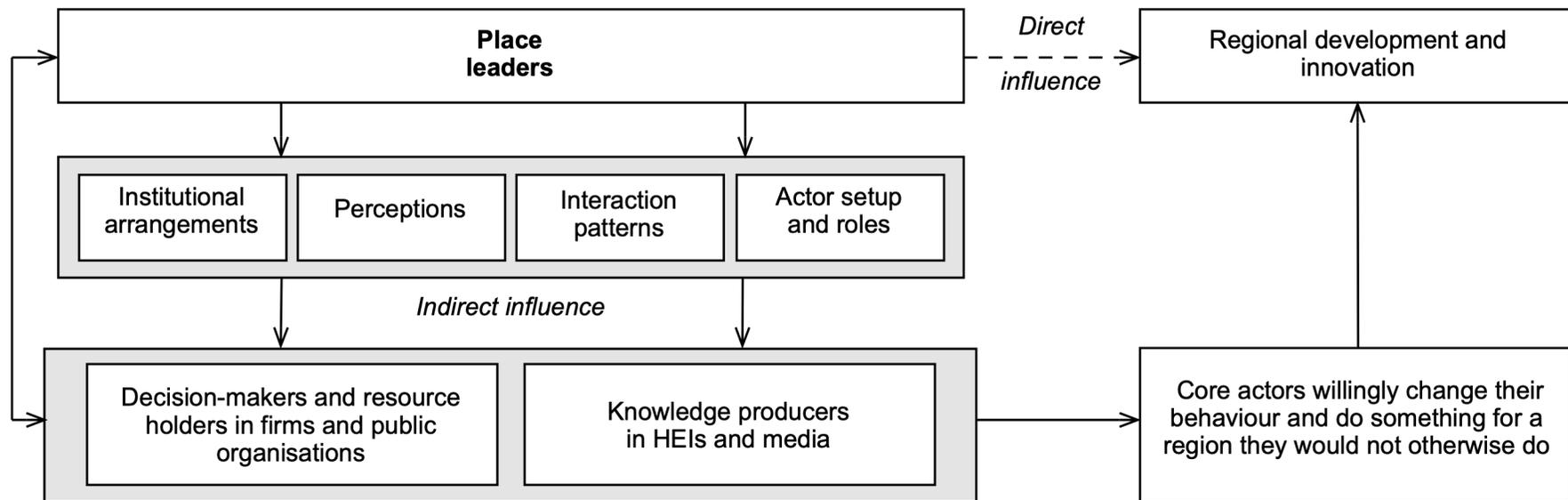
- Seeking futures
- Challenging what already is
- Focusing on the novel and the unpredictable

Place leaders

Stretch constraints while managers operate within them

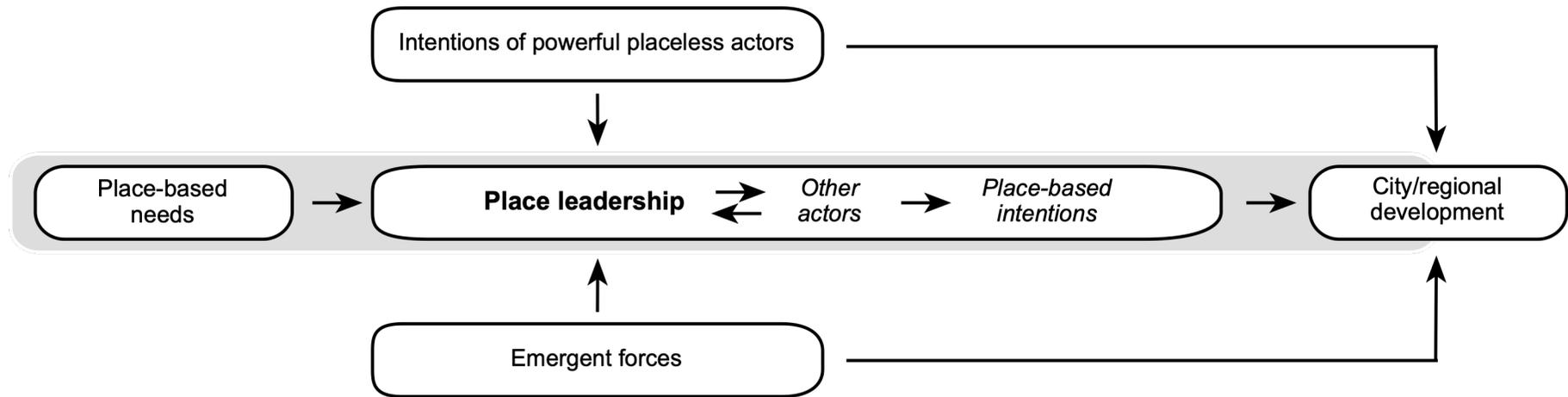
- reach beyond their familiar fields of activity and policy spheres to influence
- reach beyond those individual organisations and institutions that authorise them to take the lead in the first place
- are required to influence actors who are not by definition their followers, and conversely follow the ones who are not their formal leaders





Place leadership as a nexus

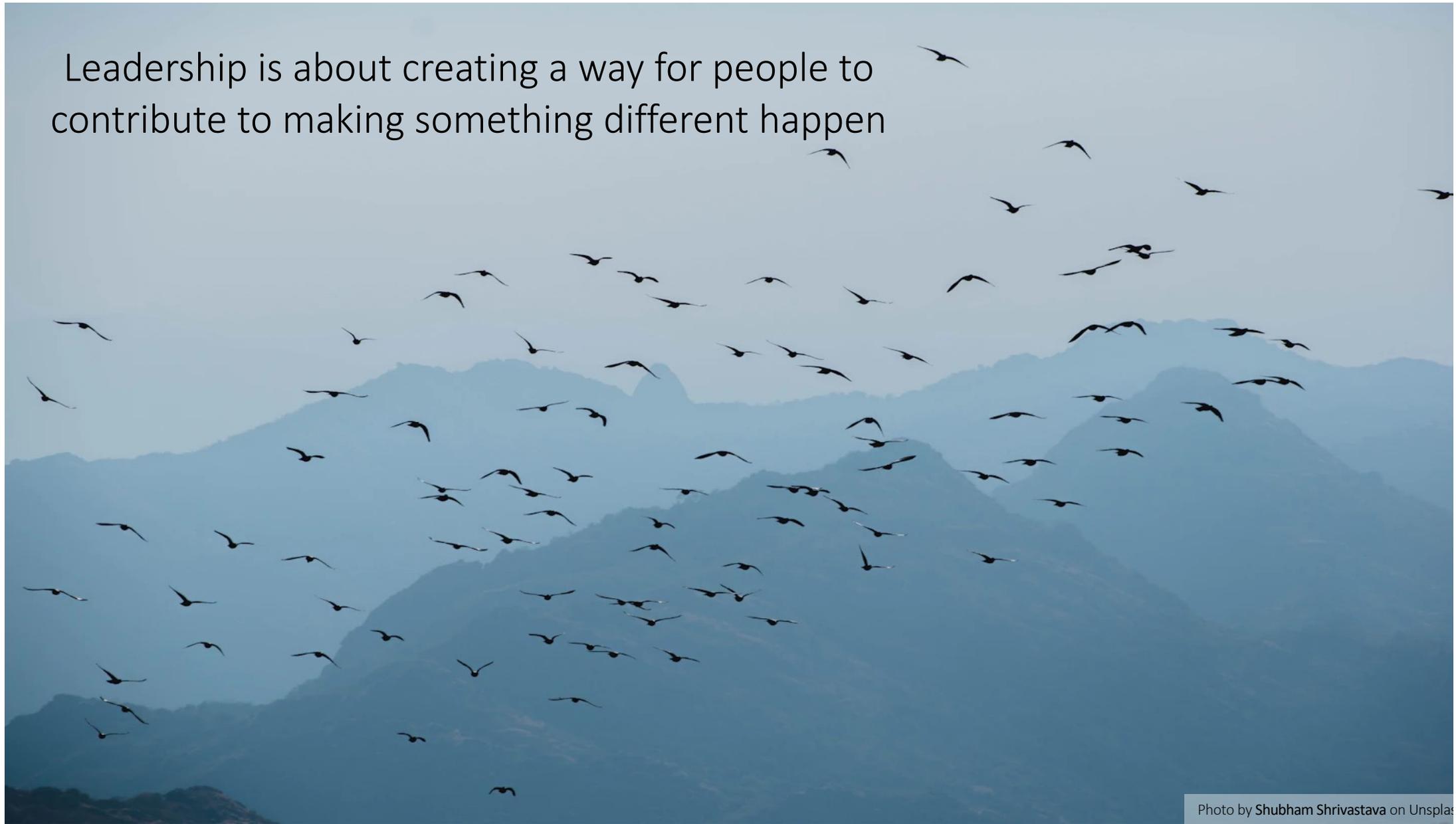
Nexus = Connection or series of connections linking two or more things





Basic definitions

Leadership is about creating a way for people to contribute to making something different happen



Leadership

- To go before or to show the way
- To influence or to induce
- To go head of or in advance of
- To have the advantage over
- To act as leader
- To go through or pass
- To act as guide

(Webster's dictionary)



Leadership

- Leadership is a process whereby an individual **influences** a group of individuals to achieve a common goal (Northouse, 2007)
 - Leaders are actors who have a greater range of assets than others in the community for **stretching the constraints** (Samuels, 2003)
- Leadership is closely related to **movement** - that is, getting a body of followers to move in one direction or another (Grint, 2001)
 - Leaders are those actors who more than others influence social activities and relationships towards the production, reproduction or **transformation of a social order** (Bass, 1998)

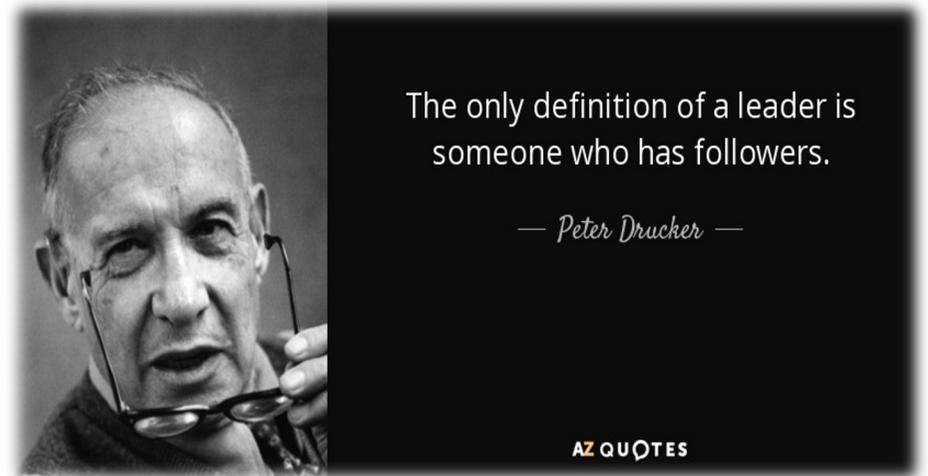
The core of place leadership

- Mobilisation and co-ordination of activities of independent actors to achieve local, community or regional aspirations
- Place leaders influence the ways collective interpretations of global/national/local phenomena emerge

Mobilisation of powers,
capabilities and resources

Place leadership

- No one is 'in charge' – no command and control; beyond deference and formal authority
- Place leadership may be everywhere
 - Followers are not assigned to leaders
 - Followers always have a choice not to act and follow – the position needs to be earned

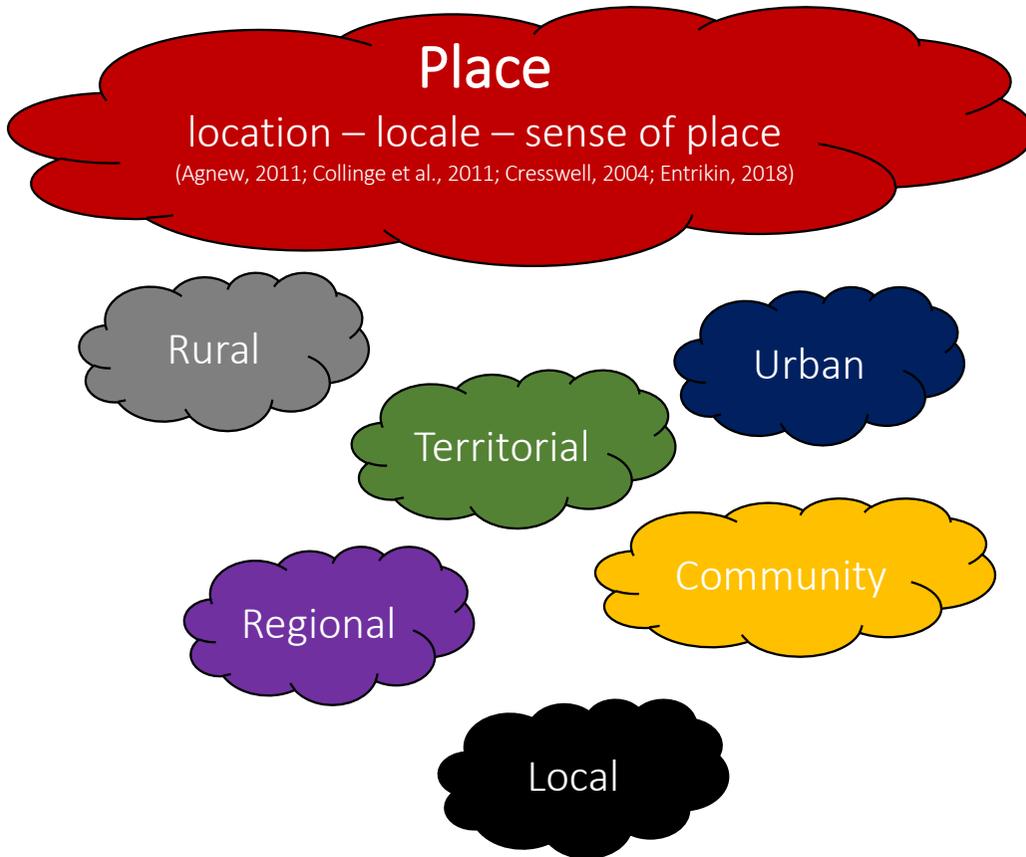


“If not specifically prompted,
discourse about leadership did
not feature in network or
cluster talk at all”

(Sydow et al 2000; Linnamaa & Sotarauta 2000)



Leadership in-between
Distributed leadership
Shared leadership
Hidden leadership
Emergent leadership



A dear child with many names

- Many concepts have been used to study leadership in a sub-national context
- The conceptualisations overlap in many ways and are often used interchangeably

Research on place leadership is contextual

It is situated in:

- a specific geography
- an institutional environment
- a broader conceptual framework
 - many of the authors have inserted place leadership into long-established theoretical or analytical structures

In combination they create the complex environment in which place leadership finds expression at a multitude of scales around the globe

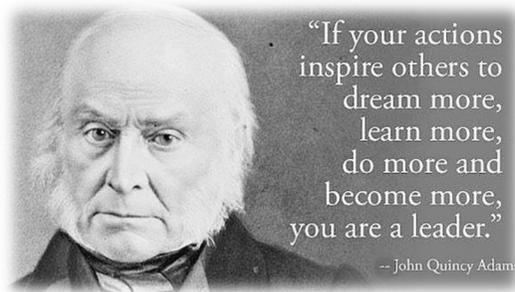
Summary - some observations I

- Continuous struggle for influence within and between cities/regions
- Regional development practices are to large extent indirect in nature (but not only)
- Leaders aim to influence the ways collective interpretations emerge and are shaped (Horlings 2010; Sotarauta 2009)
- Leaders are knowledge brokers (Gibney 2011)
- Leadership is about directing emergence (Sotarauta & Mustikkamäki 2012)



Photo by Agto Nughoro on Unsplash

Summary - some observations II



A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will all say: we did it ourselves.

LAO TZU

- **Systemic** not personal quality (Parkinson et al 2012; Norman 2013)
- Leaders stimulate stakeholder **engagement** (Gomes & Liddle 2010; Beer & Baker, 2012)
- Leaders build bridges between **informal** and **formal** initiatives (Horlings 2010)
- Leadership is embedded in a **social fabric** of a place (Peters 2012)
 - Specifically in the social relationships of an influence network (Sotarauta & Mustikkamäki 2014; MacNeill & Steiner 2010).

Conclusion

- Leadership is often seen simply as a relationship between leaders and those led, with the former setting goals and ensuring the latter follow through

But NO...

- Leadership is a process of influencing and teaching others to find needed activities and vision and how they could be accomplished
- Leadership is about willingness to learn from the others

Conclusion - place leaders

- aim at creating novel context for collective action instead of directly directing the course of actions and events
 - induce, or rather 'seduce', other actors to do something differently (mobilisation)
- do not aim to challenge preferences of the other actors
 - but aim to combine individual aims to collective regional GG objectives
 - aim to multiply the opportunities and alternatives for other actors

