

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)

All the material to be found at [www.sotarauta.info](http://www.sotarauta.info) -> teaching -> hal.kajo.316

# Leadership

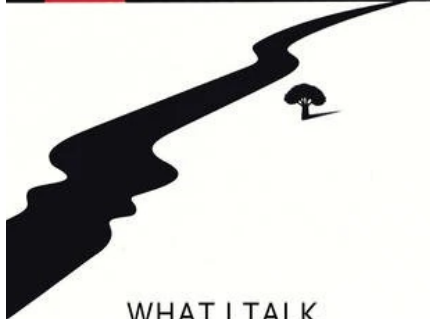
## in Urban and Regional Development

hal.kajo.316



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

MURAKAMI



WHAT I TALK  
ABOUT WHEN I TALK  
ABOUT RUNNING

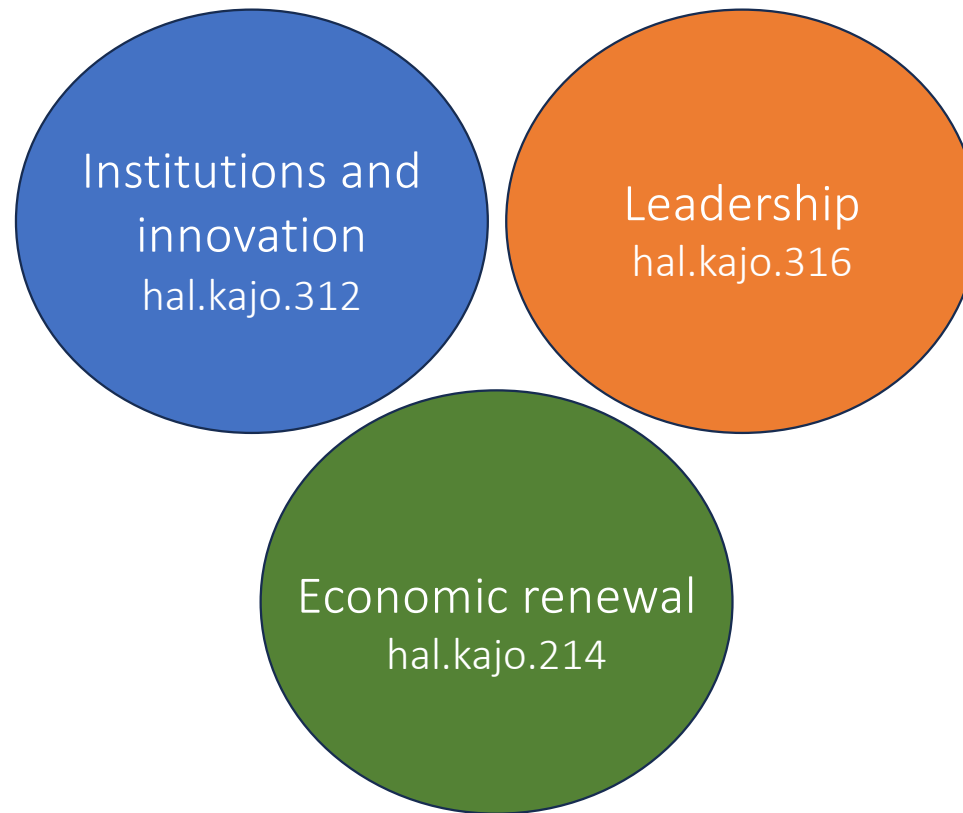
VINTAGE



What I talk about  
when I talk about leadership

# The three course package

Each can be done independently





[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

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# What?

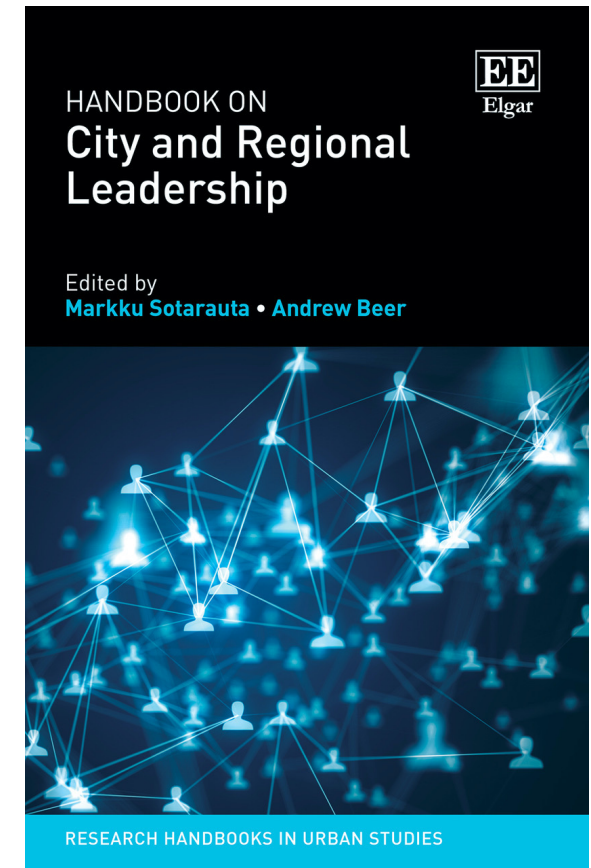
- The complex interaction between leadership and economic development of cities and regions.
  - How do actors cope with and direct open-ended, multi-actor and potentially conflicted development processes (or fail to do so)?
  - Who are the actual leaders?
  - What kinds of power do leaders have?
  -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



# Reading

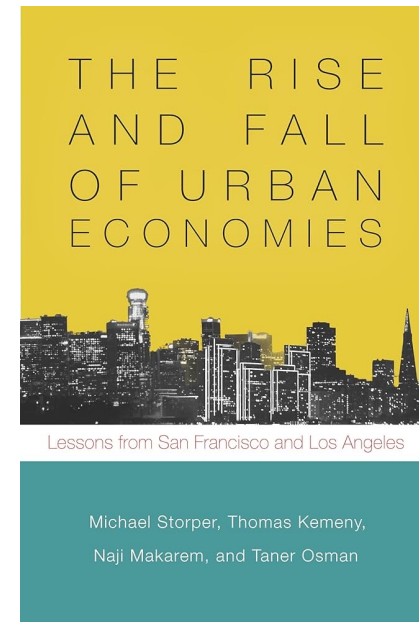
- The handbook is available at the TAU Library
  - Read introduction (ch. 1)
  - Read two free-choice chapters of 3-9
  - Read two free-choice chapters of 10-19
  - **NAME the chapters you read**

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)





# Tuni-Exam Learning Diary (an essay)

- The Tuni-Exam will be open for writing a learning diary as follows:
  - Diary: April 16. – April. 25.
- Remember to book yourself a slot during the above opening period
  - <https://sites.tuni.fi/exam/>
- In the system, there will be a broad thematic question for contemplation, writing an online diary
- Introduce the main arguments and other important points of a course through your observations and interpretations

# Diary

- The following question on the Tuni-Exam is a prompt to ponder your learning. It is **NOT** an exam question.
  - Its function is to guide learning and writing
- What are the conceptual and practical connections between place leadership and local and regional development development?
  - This is a comprehensive question, perhaps a difficult one. **BUT...**
  - It can be approached in many ways
  - Contemplate it when listening to the lectures, reading the material, and so on, and thus have a framework in your mind when you enter TUNI-Exam



## The rejuvenation of the tuna industry in Port Lincoln



# Port Lincoln – the seafood capital of Australia



- Population appr. 14 000
- Sparsely populated region
- 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



## The place leadership questions

## The answers

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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

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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.

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

Why was place leadership exercised (purpose)?

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

What was achieved by place leadership (performance)?

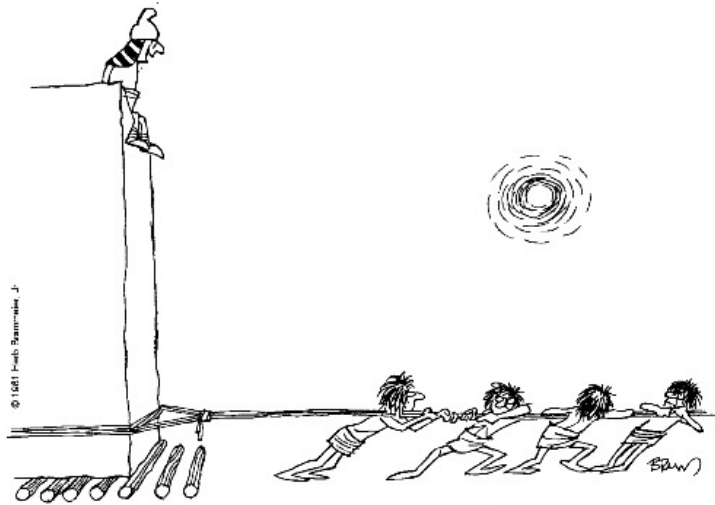
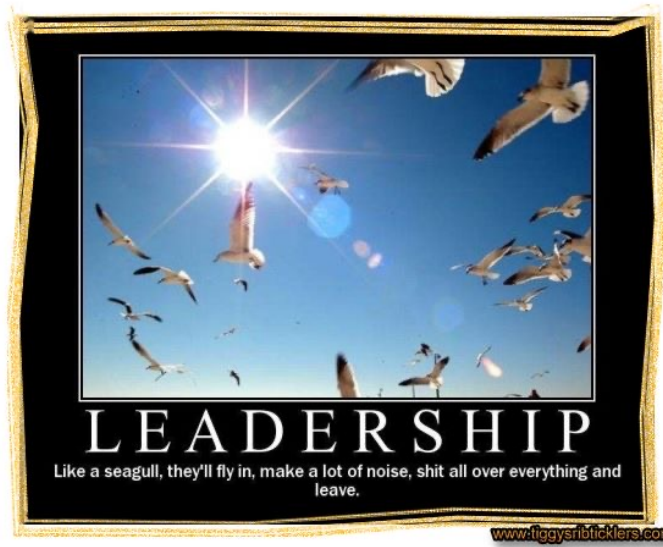
The business model of the local industry was redefined, and the profitability of business increased, there was significant new investment and employment



## Why leadership in city and regional development?







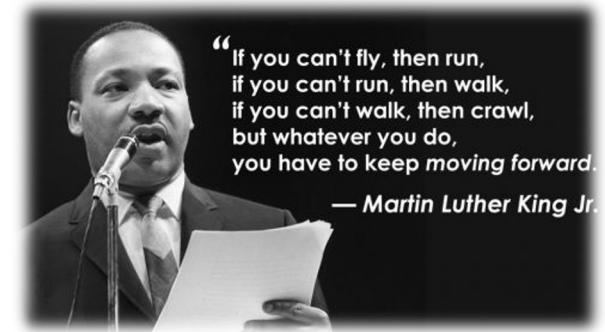
"Believe me, fellows, everyone from the Pharaoh on down is an equally valued member of the team."



# The questions

Why is leadership important in city and regional development?

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



“If you can't fly, then run,  
if you can't run, then walk,  
if you can't walk, then crawl,  
but whatever you do,  
you have to keep moving forward.

— Martin Luther King Jr.

“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)

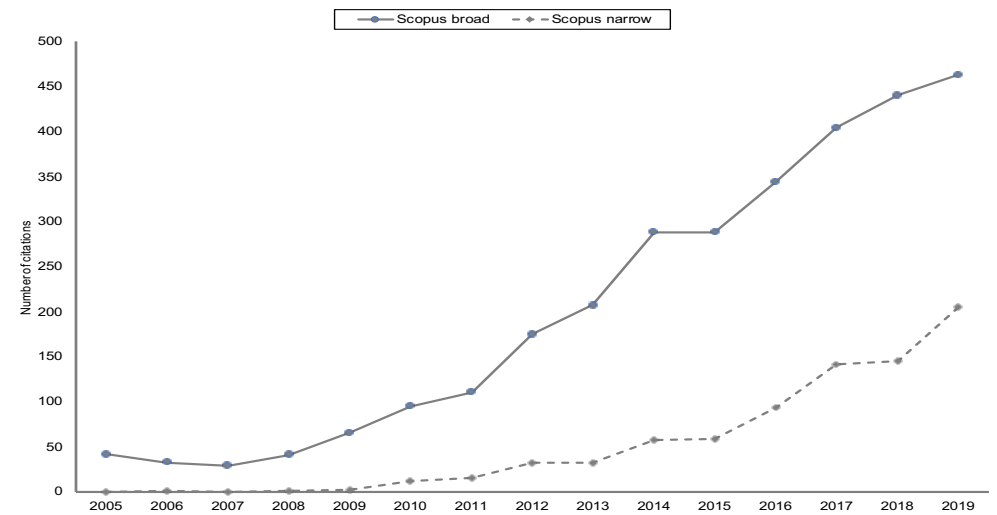
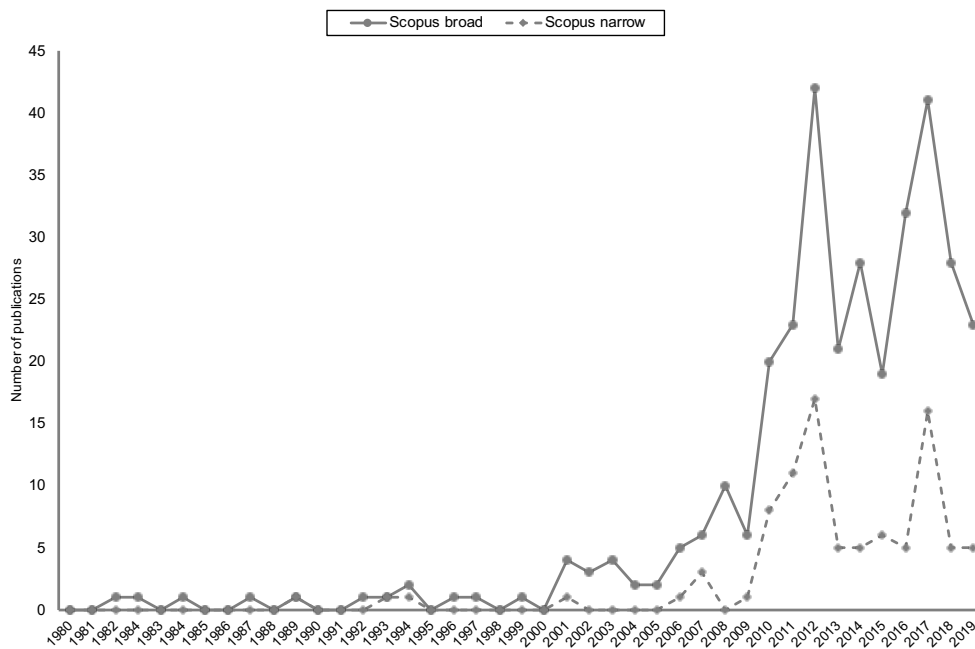
Who influences whom, how,  
for what purpose,  
and in what kind of context  
– and with what outcomes?

(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 (Rodriguez-Pose 2013)
- 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

The number of 'place leadership' publications and citations (Scopus)  
broad and narrow search from 1980 to 2019



## 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

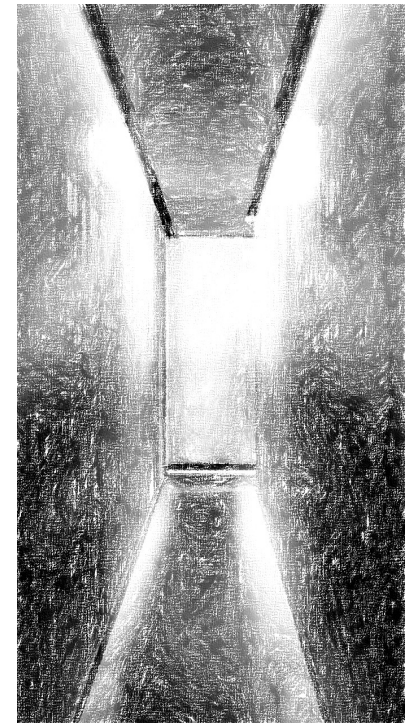
(Collinge and Gibney, 2011; Cresswell, 2004).





## 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

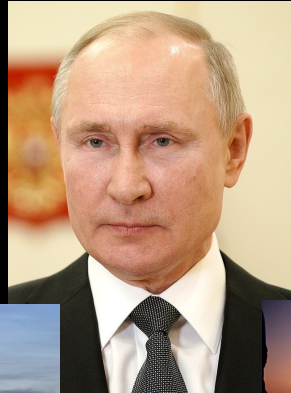
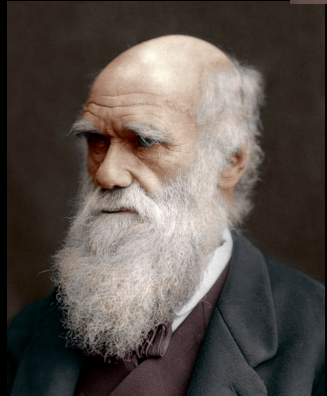
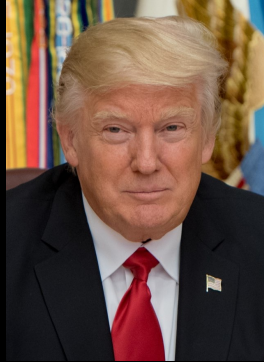
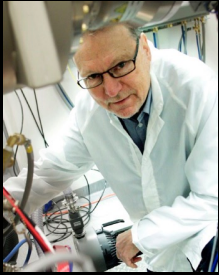
- A strong role model
- Highly competent
- Articulate ideas and morale positions
- High expectations

(House 1976)

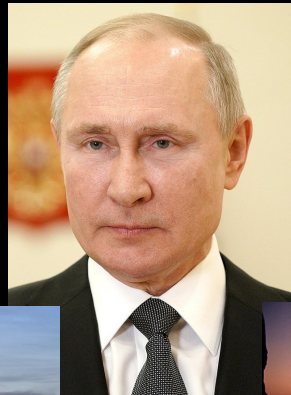
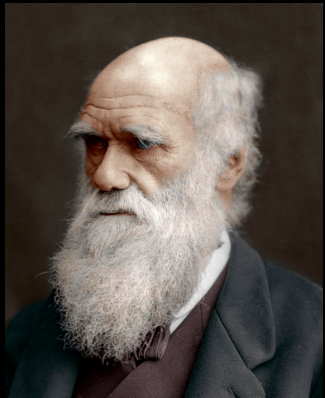
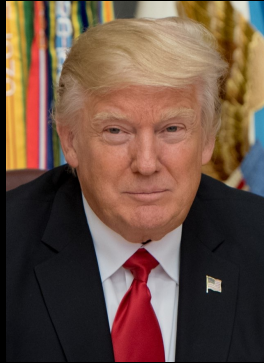
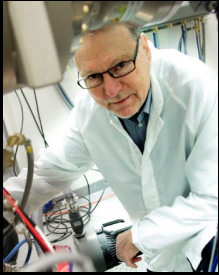
Leadership as rule of the masses (Leo Tolstoy)

Leadership by small groups of office holders

(Elcock, 2001)







# Three types of leaders

(Sotarauta 2016)

## Bureaucratic leaders

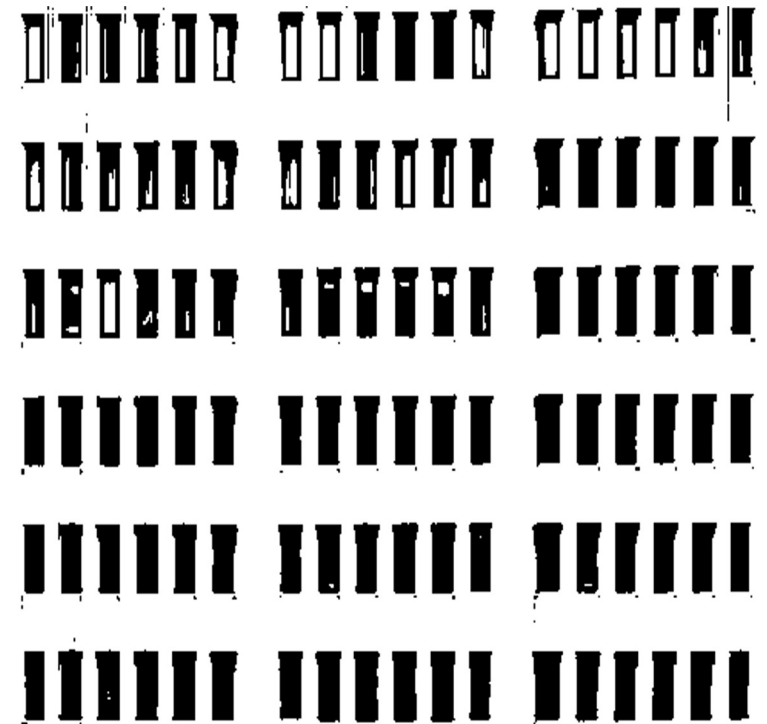
- lead their own organisations
- do what they are supposed to do

## 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

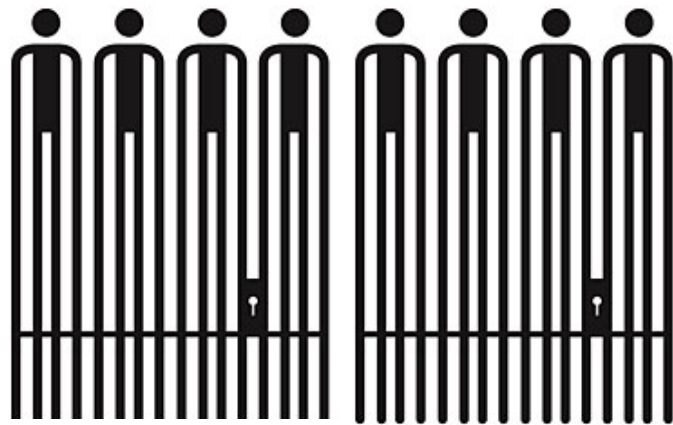
- willingness and capabilities to take leadership position
- do what they are not supposed do but what they feel needs to be done.





	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.



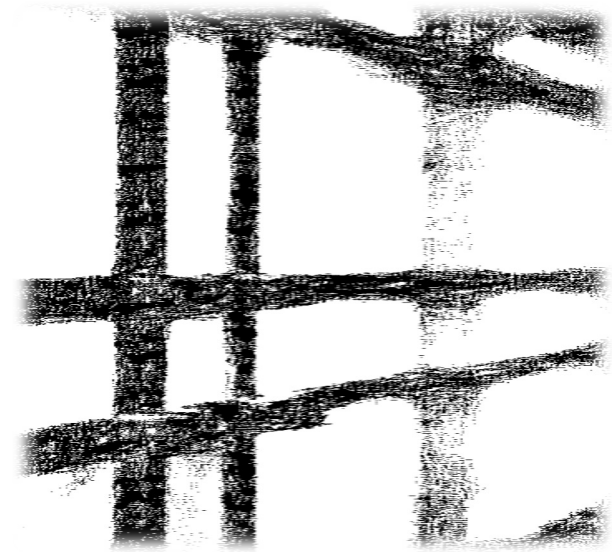
# Constraining and enabling elements

## 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



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

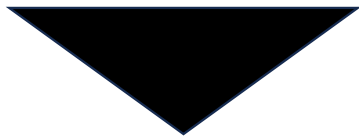
Is this changing?

“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)

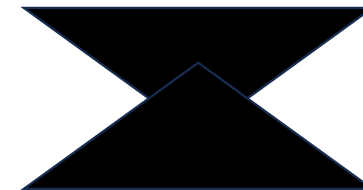
## Centralised systems of government (UK, AUS)

- 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, 2017)

Finland	South Australia
Finnish respondents to the survey tended to be older, better educated and more experienced than their Australian counterparts	
<b>25 %</b> of Finnish respondents held a PhD and fully <b>75 %</b> 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
<b>60 %</b> had been associated with regional development for 15 years or more	<b>16 %</b> had been associated with regional development for 15 years or more

# Finland and South Australia

## Place leadership / governance comparison

(Sotarauta & Beer, 2017)

Finland	South Australia
PL grounded in <ul style="list-style-type: none"> <li>- well-developed public sector institutions</li> <li>- with specialist staff</li> <li>- with specialist training</li> </ul>	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, 2017)

Finland	Australia
PL <b>institutionally</b> based Authority derived from inside government	PL <b>individualised</b> Authority derived from outside of government
A co-ordinated market economy	A liberal market economy
<p>Place leadership, as it finds institutional expression in Finland, is one manifestation of <b>strategic interaction</b> amongst firms, public agencies and other actors.</p> <p>Is this type of interaction more common in co-ordinated market economies than in liberal market economies?</p>	