

# Today

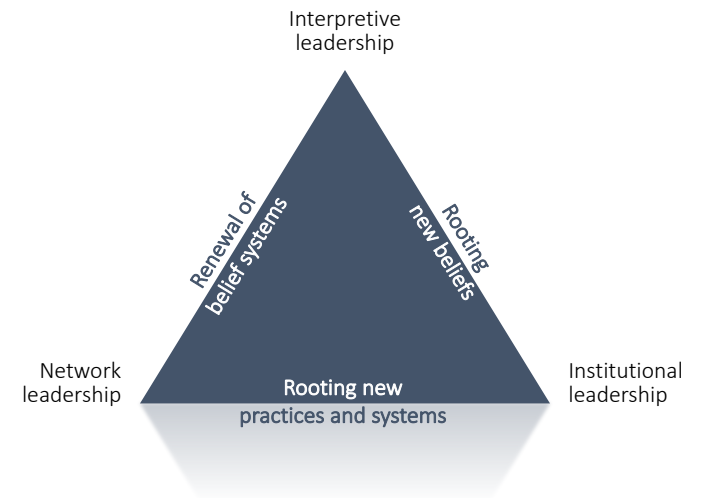
- Case Zaozhuang, China
- A quick take on storytelling
- Generative leadership

## Case Zaozhuang, China

# Place leadership with Chinese characteristics? A case study of the Zaozhuang coal-mining region in transition

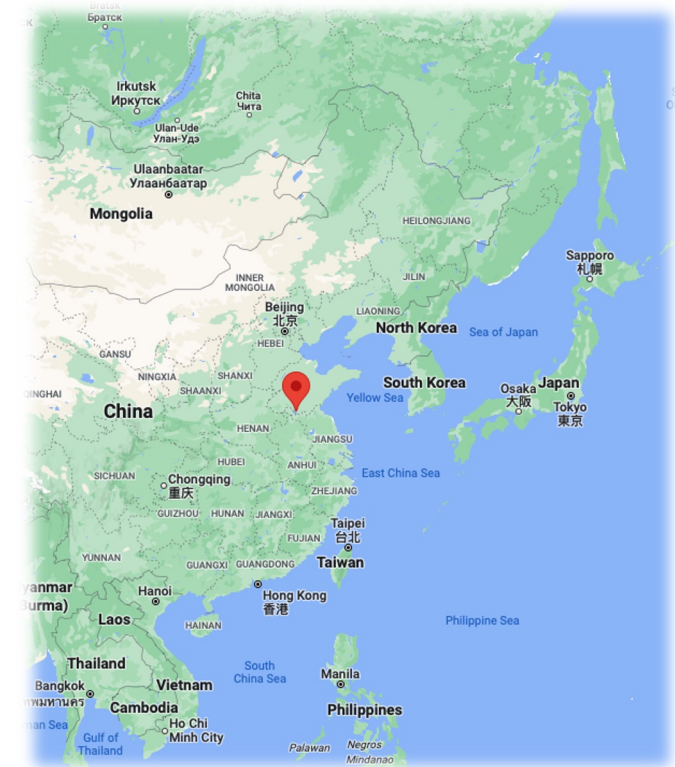
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## The institutional foundations of local state leadership in China

- Sub-national leaders have emerged as key promoters of regional economic change
  - ‘Officials with personality’ (gexing guanyuan)
  - The ‘princelings’ enjoying wide inherited political capital from their ‘red’ families
  - Grass-rooted cadres also shown powerful capabilities in local bureaucratic reforms and economic experimentations



## The institutional foundations of local state leadership

- In a democratic context, local formal leaders generally consist of elected mayors, chief executives and leading politicians, representing **heterogeneous interests**
    - Diversified objectives, ranging from political and social advancement to economic and environmental issues
  - In China local state leadership is strongly (economically) task oriented, with little concern about political reform and civic well-being.
- In the West, place leadership is expected to be open, shared and collective
    - Chinese argue this may cause less effective leadership, potentially resulting in slow decision-making processes
    - In China a less-structured institutional framework allows leaders to adopt a mixture of formal and informal power so that target-oriented leadership can be effectively achieved

## The two institutional fundamentals of place leadership

- **Chinese-style federalism** ensures that each sub-national state is autonomous in its own sphere of authority
  - Authority is limited to the economic growth
  - The Chinese decentralization = a combination of economic decentralization and political centralization of cadre control
    - The cadre evaluation system (CES) under the Chinese Communist Party (CCP)
    - Endows local officials with actual power to govern economic affairs but also mobilizes them to be economic 'innovators' and 'reformists'
- **The system of trans-regional cadre rotation** generates a particular cadre community - 'airborne cadres'
    - Expected and incentivized to perform better than their immediate predecessors in a fixed tenure (often five years)



# The situation in Zaozhuang

- Located in the south of Shandong province (popul. 102 mil.), with a population of appr. 4.2 million
  - Famous for its long history (over a century) of being a coal-based economy
  - Also widely known as a ‘Hero City’ of China
    - The site of ‘the Battle of Taierzhuang’ - where China won the first major victory against Japan in the 2nd Sino-Japanese War.
- Due to the single-industry structure, and the depletion of local coal resources since 2000, Zaozhuang’s economy was confronted with many difficulties
  - Since 2006, the region has exhibited a strong industrial revitalization in two pathways
    - coal–chemical industry (from coal to electricity, value-added doubled; methanol value-added four times higher; acetic acid value-added 10 times higher; to acetate and other products, with a value-added of 80 times higher)
    - the rise of the tourism industry.

## ... the situation

- Given the long-term over-specialization on the coal industry -> difficulties and resistance against new industry formation in Zaozhuang
- No visions nor motives to break the existing industrial structure

“Unlike other airborne cadres who might just give a fuzzy vision or direct orders, Chen offered a sound vision with understandable and reciprocal concerns.”

## The new Mayor (Party Secretary) – Mr. Chen Wei

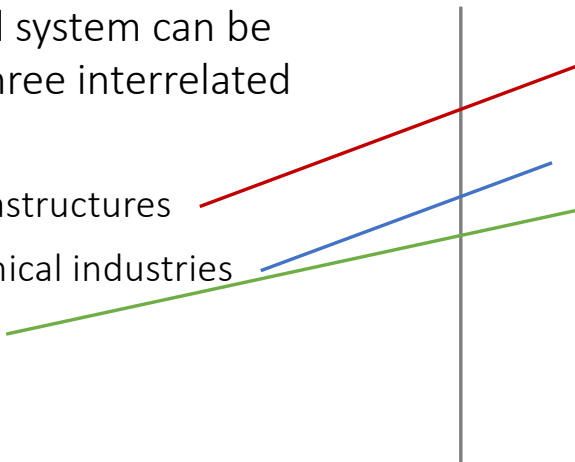
### Interpretive leadership

- Rejected major housing investments as short-term solution – tensions followed
- Engaged local officials with an in-depth investigation (2 yrs) to explore what unique assets the region has (historical legacies)
  - Found latent, uncommitted and place-specific visions and assets for economic use
- He visited nearly every town and interviewed about a hundred firms

# One Target, Three Pathways

- How the local industrial system can be transformed through three interrelated pathways:

1. Improve urban infrastructures
2. Promote coal-chemical industries
3. Cultivate tourism



"The first way answers why investors come here; the second resolves how to increase local government revenues (by investment) and, the last guides where people (laid-off workers) can be reemployed. These pathways bear a reciprocal relationship that will generate a positive step-by-step mechanism leading to industrial change."  
(interview with the Secretary of Mayor)

Chen's leadership was based on his ability to read, analyse and translate the local context.

**Formal leadership:** reshaping governmental institutions by power and authority

- The main obstacle: lack of tourism facilities, competences and institutions
- A special government agency for tourism was established, followed by a reallocation of governmental resources and incentive systems
- New criteria were incorporated into Zaozhuang's cadre evaluation system – a step towards a socio-economic 'green' transition
- Chen exercised coercive power to give local state agencies compulsory tasks related to a new vision

**Network leadership:** creating a broader facilitative environment

- The tourism pathway was initiated by formal leadership, but the state-sponsored model was not sustainable due to overload put on local state
- Taierzhuang is the place where the Kuomintang army triumphed over the Japanese in 1938 – supported local states to link with the Taiwanese
- Huge national media visibility allowed linking and bonding internally and externally
- Chen took advantage of multi-scalar contexts to support the growth of a new industry

# Conclusions

- Local economic development in an authoritarian context is, in contrast to what would be expected, not solely driven by formal top-down leadership but also by interpretive and network leadership.
- Despite the authoritarian context, interpretive leadership is critically needed for those leaders who are not locally embedded.
  - Interpretive leadership provided a sound basis for the highly efficient exercise of formal leadership (in Salo it was vice versa)

(Hu & Hassink, 2017)



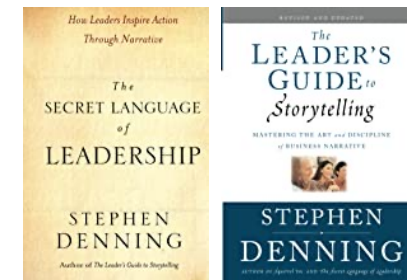
# Storytelling

# Storytelling

- Regional development is about competing ideas and interpretations
  - By a believable story it is possible to link fragmented pieces of information
- In mobilising people and assets leaders often use an **ambitious but believable story** as a unifying force.
- Leadership storytelling is the strategic sequencing of facts and emotions (Choy, 2022)

## Using narratives

- to ignite action
- to communicate who we are and want to become
- to build brand
- to instill values
- to forge collaboration
- to create strategic awareness
- to neutralise gossip



## Storytelling in Regional Development, themes and highlights

### Economic Development and Revitalization

- Storytelling contributes to economic regeneration by promoting local fairs, festivals, and cultural events, which in turn boost regional economies.
- Storytelling in restaurants has transformed meal experiences into "experiencescapes," attracting more visitors and fostering collaboration among local businesses.

### Strategic Communication and Stakeholder Engagement

- Storytelling serves as a strategic communication tool to align stakeholders and build shared visions for regional development.
- It fosters collaboration across governance levels and strengthens ties between public and private actors.

## Storytelling in regional development, themes and highlights

### Tourism and Destination Marketing

- Storytelling is widely used to promote regions as attractive tourist destinations.
- By leveraging local stories, legends, and cultural heritage, regions can differentiate themselves and enhance their appeal to visitors.
- Digital storytelling integrates local narratives with web platforms to enhance regional branding and stakeholder engagement.

### Cultural Identity and Heritage

- Storytelling helps construct and reinforce regional identities by connecting the past, present, and future.

## Key Contributions of Narrative to Place Leadership

Role of Narrative	Impact on Place Leadership
<i>Building Identity</i>	Narratives shape personal and collective identities
<i>Community Engagement</i>	Mobilises communities and fosters inclusivity
<i>Governance Integration</i>	Aligns stakeholders and policies for collective effort
<i>Inspiring Vision</i>	Reshapes collective stories to align with goals and inspire innovation
<i>Strengthening social ties</i>	Deepens emotional and cultural connections, promoting preservation what is valuable
<i>Place attachment</i>	Narratives connect actors to a place

Narrative is a powerful tool in place leadership, enabling leaders to connect with communities, align stakeholders, and inspire collective action. By leveraging storytelling, leaders can create transformation in their regions.

# Elements of a good story

- A logical arc from the beginning to the potential end: From inciting action and evolving strategy to potential denouement
  - A clear voice – it's **WE**
  - A sense of genre – the development view
  - Compelling characters keep your audience invested (lead corporations, start-ups, universities, civic groups, etc.)
    - Imbue your main characters with an internal conflict that drives their external struggle
- A structured storyline
    - Keep your narrative organised to flow logically >> hold onto audiences through development phases
  - An insightful theme
    - Consider what ideas you want your audiences to keep thinking about long after they've forgotten a specific message

## The dimensions of a genre? (just an example)

SOCIAL FILTER	EXTREMES	
<b>The basic assumptions on economic development</b>		
<b>Growth logic</b> - How to seek growth?	<b>Endogenous:</b> Growth is based on activities initiated in the region (e.g., establishing companies).	<b>Exogenous:</b> Growth is based on activities initiated from outside the region (e.g., extra-regional actors locating or investing in the region).
<b>Specialisation</b> - How widely are opportunities sought?	<b>Focused:</b> Strategic thinking is exclusive. Opportunities are sought within a narrow range of industries.	<b>Wide:</b> Strategic thinking is wide. Opportunities are sought across a large range of industries.
<b>Spatial scale</b> - Where are opportunities sought (spatially)?	<b>Local / regional:</b> Prioritising partnerships and supply chains in nearby locations.	<b>National / international:</b> Prioritising extra-regional partnerships and supply chains.
<b>Time and action</b>		
<b>Time horizon</b> - What is the temporal perspective of opportunities?	<b>Short-term:</b> Opportunities are seen as existing in the near future (e.g., logic of the quartile economy).	<b>Long-term:</b> Opportunities are seen in as existing in the long term (e.g., transgenerational thinking in family companies).
<b>Scale of progress</b> - What is the scale of opportunities?	<b>Incremental change:</b> Seeking small improvements (e.g., technological improvements and supporting SME establishment and growth).	<b>Abrupt change:</b> Pursuing abrupt 'game changers' (e.g., the establishment of a large mine or factory).
<b>Mode of action</b> - When is the time to pursue new opportunities?	<b>Reactive:</b> Action is taken when there is no other choice (e.g., when a large employer has already decided to close a unit).	<b>Proactive:</b> Preparatory actions are taken (e.g., adopting environmental standards before they become compulsory).
<b>Opportunity type</b> - Are opportunities created or discovered?	<b>Exploitation:</b> Seeking to utilise and adopt existing products, ideas and markets.	<b>Exploration:</b> Seeking to create new products, ideas and markets.

# Ten basic stories in regional development

(work in progress)

**The path dependence story.** Where have we come from?

**The story of change.** Why can't we stay here?

**The vision story (paradise).** Where are we heading?

**The story of a journey (strategy).** How shall we get there?

**Leadership story.** Who will lead us into the future, how do we find a new direction?

**Actor story.** Who are our heroes, where are the enemies?

**Opportunity story.** How does the world serve us?

**Culture story (uniqueness).** What do we believe in, who are we?

**Industry story.** Who do we serve, what is our livelihood based on?

**Attraction story.** What do we offer and to whom?



# Ten basic stories in South Ostrobothnia

(work in progress)

**The path dependence story.** Where have we come from?

The story of change. Why can't we stay here?

The vision story (paradise). Where are we heading?

The story of a journey (strategy). How shall we get there?

Leadership story. Who will lead us into the future, how do we find a new direction?

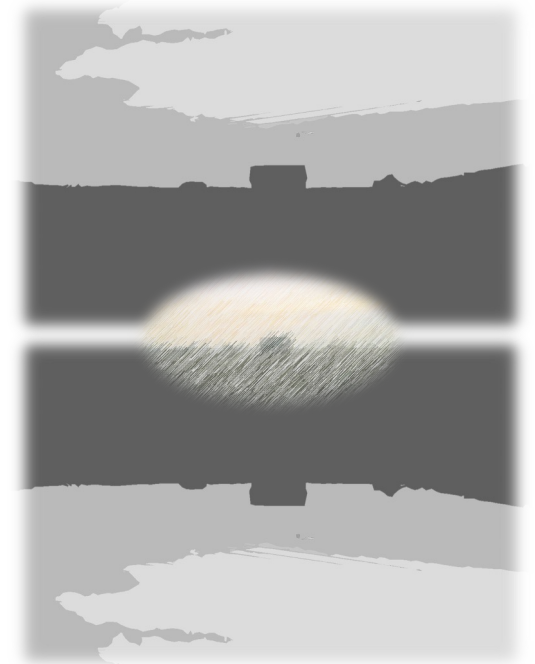
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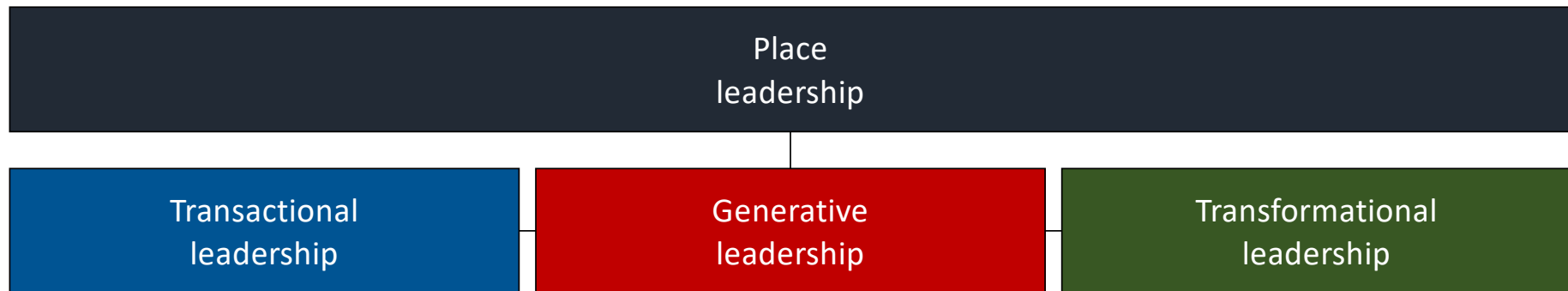


# Transformative and generative leadership

- **Transition** is a gradual change process from one state or condition to another.
- **Transformation** refers to a complete and fundamental change of state, the passage from one way of being to another.

- Transformation generally involves institutional changes, while transition is more about reorienting a system.
- Something beginning as a transition may end up transforming a region.
- Institutional change often occurs through small, incremental changes over time (Streeck and Thelen, 2025)
- Thus, transition can ultimately transform a region in the long term.

## Connecting place leadership to transformational and transactive leadership





## Transactional leadership

Leaders take the initiative in making contact with others for the purpose of an exchange of valued things



## Transformational leadership

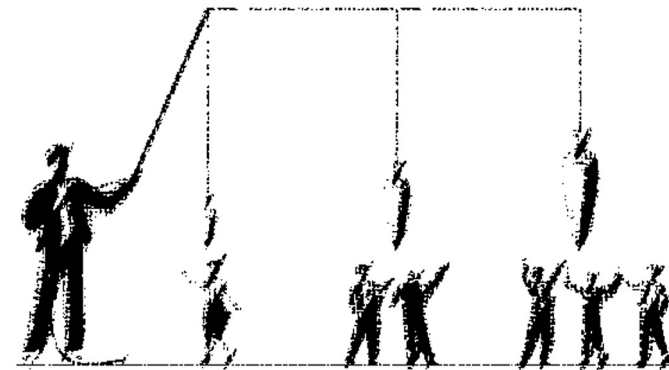
Leaders engage with followers in such a way that leaders and followers raise one another to higher levels of motivation and higher purpose

## Transactional leadership

The extent to which a leader provides rewards in exchange for follower's effort (Bass 1985)

Management of place - local or regional government's usual service delivery or administrative functions

Does **not** work to produce systemic changes to achieve, for example, green growth-related ambitions



## Transformational leadership

- A process to foster people beyond expectations
- The strong emotional attachment
- The collective commitment to a higher moral cause

## The components

- Idealised influence
- Inspirational motivation
- Intellectual stimulation
- Individualised consideration

# Measures of transformational leadership

## Identifying and articulating a vision

- Behaviour on the part of the leader aimed at identifying new opportunities, and developing, articulating and inspiring others with his or her vision of the future
- Or using the search of a vision to mobilise followers OR brokering existing visions in a place

## Providing an appropriate model

- Behaviour on the part of the leader that sets an example for an ecosystem to follow that is consistent with the values leaders espouses.

## Fostering the acceptance of group goals

- Behaviour on the part of leaders aimed at promoting cooperation among followers and getting them to work together towards a common goal.

## High performance expectations

- Behaviour that demonstrates leaders' expectations for excellence, quality and/or high performance on the part of followers.
- Providing individualized support – behaviour on the part of the leader that indicates that he/she respects followers and is concerned about their personal feelings and needs.

## Intellectual stimulation

- Behaviour on the part of leaders that challenges followers to re-examine some of their assumptions about their work and rethink how it can be performed.

# Is regional development short-term and transactive?

- Action is taken and new strategies formulated, when the need is visible
- Regional development strategies and related leadership all too easily remain in a transactional project mode
- Leaders satisfy themselves in making close agreements on what is expected to be accomplished during the timespan of a project
- Beneficiaries of public money need to contribute to a regional strategy in a predefined way

If all this happens, regional development efforts turn into a transactive management of public funds instead of transformational leadership for the future

Would teams of rivals shake the system?

## But... steps towards generative leadership

- Many city and regional practitioners define themselves and their organisations as change agents
  - The main purpose is to guide other actors in new directions and to construct spaces for change
  - Most recognise the need for transformational changes but see the limits of achieving them
  - They are aware of their limited capacity to influence in a multi-actor and multi-purpose setting
- City and regional practitioners emphasise often indirect soft measures
  - Awareness raising, coaching, dialogue, visioning on platforms and guiding interaction towards experimentation
  - A continuous **process** for increasing visibility of the given issue and for opening windows of opportunity for new ideas to emerge
  - Generative leadership is about generating processes, monitoring them and shepherding them in desired directions



Leaders take the initiative in making contact with others for the purpose of an exchange of valued things

Leaders generate processes geared to giving birth to such local conditions, which potentially lead to collective transformative leadership

Leaders engage with followers in such a way that leaders and followers raise one another to higher levels of motivation and higher purpose

(Burns 1978; Bass & Riggio 2006; Sotarauta 2016)

# Generative leadership

- Cause (something, especially an emotion or situation) to arise or come about
  - Changes that are likely to generate controversy
  - Place leadership takes generative modes of action to produce indirectly transformational effects



- The future needs to be discovered, created, made sense of and shaped
  - Requires sophisticated understanding of the place as well as specific processes related to targets of action
  - Leaders need to see beyond generic knowledge of demographics, governance, formal policies and innovation systems as well as local industries
  - Leaders need to focus on individual ambitions, objectives and a variety of reasons to commit to collective action -> a precondition to effective mobilisation.

	Transactional leadership	Generative leadership
<i>Rules of the game</i>	Leaders identify the existing rules of the game and adapt to them	Leaders search for new rules of the game and influence their emergence and shape the existing ones
<i>Competencies</i>	Leaders focus on identifiable targets for development, e.g. existing clusters	Leaders construct portfolio of competencies in networks to meet the emergent and unexpected forces
<i>Learning</i>	Leaders enhance collective learning for specialisation	Leaders enhance collective learning to meet the emergent and unexpected
<i>Advantage</i>	Leaders find competitive advantage based on existing resources, networks and knowledge	Leaders construct novel advantages based on new knowledge, networks and resources
<i>Resources and ambitions</i>	Leaders match ambitions to existing resources	Leaders leverage new resources by searching for new ambitions through imagining the futures between visions
<i>Objective</i>	Leaders meet the financial targets	Leaders challenge actors and networks with bold intentions

## Conclusion – leadership in city and regional development

- Central, if not crucial
- Not much studied, but the literature is rapidly expanding
- Very context-dependent, still similarities across places
- Institutional – interpretive – network
- Not fixed – who assumes the role, to whom the role is given

That's it – enjoy spring!