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POLICY DEBATES

Forms of place leadership in local productive systems: from endogenous rerouting to deliberate resistance to change

Marco Bellandi[a], Monica Plechero[b] and Erica Santini[c]

ABSTRACT

Place leadership (PL) influences the capability of places hit by disruptive challenges to react and reroute to new paths of development. Recent contributions consider the positive role of PL, while negative aspects are still under-investigated. This paper proposes a conceptual framework that, focusing on local productive systems (LPSs), explores PL's dark side. Forms of PL accompanying LPSs show different degrees of openness and strength that interact with the same LPS structural features. Enclosed forms of PL, aiming to preserve restricted and well-established interests, might intentionally resist attempts of LPS rerouting if undermining such interests, albeit beneficial to the system overall.

KEYWORDS

industrial district; oligarchies; disruptive challenges; place leadership; lock-in conditions

JEL O43, R11, R58

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INTRODUCTION

A recent stream of regional studies has revived interest in the role of institutional layers for the assessment of different paths of regional development (Hassink et al., 2019; Rodríguez-Pose, 2013; Sotarauta & Suvinen, 2018). Within this field, studies on the relations between governance and the rerouting of local productive systems (LPSs) are crossing those on place leadership (PL) (Bailey et al., 2010; Sotarauta et al., 2017; Stimson et al., 2005).

An LPS corresponds to a well-identified place (i.e., a small region, such as a county or a travel-to-work area) where a local community of people shares a sense of belonging (Boix et al., 2015). This is associated with productive specializations that rest on one or a few business clusters (Porter, 2003) well rooted in the local community and well connected with a set of external markets (Garofoli, 2002). A quite well-known type of LPS is the *industrial district*, whose main productive specialization comes from a dense cluster of largely local and reciprocally specialized small and medium-sized enterprises (SMEs) (Becattini et al., 2009).

PL consists of a core set of actors having the capability and power to mobilize collective and private resources, build up shared visions and actions, and drive strategic functions within the governance structures and practices that support the economic and social performance of the place (Sotarauta & Beer, 2017). Despite PL having been discussed in relation to national and supra-national systems, it finds its main fields of action at the local or regional level of governance.[1]

Rerouting refers to the shift from the traditional solutions of a previous and exhausted development path to new developmental trajectories (Bellandi et al., 2018). It is an expression of the broader concept of new regional industrial development (Hassink et al., 2019).

The investigation of PL helps shed light on why and how some places can reroute to new developmental paths, whereas others, starting from seemingly similar structural conditions (e.g., similar LPSs), remain entrapped in obsolescent solutions (Bailey et al., 2018; Sotarauta et al., 2017). Constructive forms of PL help coordinate favourable system-level conditions when local productive and social forces wander in search of new solutions in the face of disruptive challenges (Beer et al., 2020), and influence positively place-based multi-actor processes allowing lock-ins to be overcome (Hassink et al., 2019; Sotarauta & Beer, 2017).

However, the literature on regional path transformation has started to recognize the possibility that local

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agencies could use privileged positions and deliberately block unwanted rerouting in advanced regions (Boschma et al., 2017; Chlebna & Simmie, 2018). Furthermore, the LPS literature has acknowledged long ago cases of local elites protecting a stagnating status quo by opposing emerging new developmental paths in backward regions (Trigilia, 2001), resonating problems of redistributive coalitions in collective action and economic development (Evans, 1996; Olson, 1982; Ostrom, 2003). These lines of thought suggest the possibility that different forms of PL can deliver different outcomes and possibly include a dark side. However, it remains unclear what conditions would allow the emergence of such different PL forms in different places over time and the endogenous mechanisms that might lead to the PL's dark side.

Indeed, this research topic needs to be investigated in greater depth. Bellandi et al. (2021) present a first exploration and look empirically at different combinations of PL forms and LPS types. The focus on LPSs allows a comparison to be made between similar local structural features. Building on that, the paper contributes to the topic and proposes a conceptual framework and a typology of the forms and roles of PL in different ideal types of LPSs. The delimitation to LPSs helps reduce the conceptual varieties and ambiguities that necessarily impinge on the relations between PL forms and places. The framework includes a form of PL that deliberately resists rerouting, shedding some new light on interpretations concerning LPSs hit by disruptive challenges (Dei Ottati, 2018), but also on the more general field of regional industrial development and transformation.

The remainder of the paper is structured as follows. It opens with a critical review of the literature on the nature of PL within local and multi-scalar governance. This lays the ground for the introduction of a typology of different forms of PL and a framework that associates them with specific patterns of LPS structural features (concerning industrial organization, social structure and institutional environment). The consequent question concerns the possible feedback from different PL forms onto LPS trajectories. Drawing on the framework, the paper analyses some case studies and considers specifically the possibility that a PL, instead of playing a virtuous role, could express a dark side whereby a strongly entrenched set of leaders intentionally strengthens lock-in conditions and hampers fruitful local rerouting. The conclusions section discusses policy implications and points out perspectives for future research.

PLACE LEADERSHIP AND META-GOVERNANCE

Local governance concerns structures and practices whereby public agencies interact with business actors and civic society on complementary initiatives aimed at supporting or implementing the design, constitution or provision of collective goods specific to a place (Bagnasco, 2009). Many cases of LPSs following paths of local development illustrate a truly heterarchical governance (Brusco, 1982; Jessop, 1998), in which a constructive PL evolves naturally. However, local governance, being nested in various socio-cultural, institutional and political contexts, may present different characteristics (Trigilia, 2001). What follows in this section starts with a basic classification of meta-governance contexts; next, it introduces the relation of such contexts with characteristics of PL, leading to a first expanded definition of PL forms in LPSs.

Typical meta-governance contexts

Structures and practices of local governance depend on place-specific and multilevel institutional, social and economic conditions. We maintain that the approaches adopted by local or locally based policymakers (and public bureaucracies) have a more direct impact on both the existence and functioning of local governance. These approaches define what may be called meta-governance contexts (Jessop, 1998).

Some conceptualizations proposed by the sociological literature on LPSs (e.g., Trigilia, 2001) help draw a basic classification of such contexts. We look at both the style and the scope of the policymakers' approach to local constituencies (communities of people sharing professional and/or civic concerns) in case of initiatives on public goods specific to the place.

Moving from the discussion of state–society synergies by Evans (1996), a basic classification of styles of approach includes embedded autonomy, separation and capture. Embedded autonomy is an approach in which policymakers liaise directly with local constituencies but preserve public interest and multi-scalar coordination. Separation rejects local embedding and reflects top-down and hands-off approaches to the provision of public goods. Capture refers to attitudes favouring the individualistic or parochial interests of local or localized incumbents.

These styles combine with different 'level[s] and scope[s] of community involvement in policy-making' (Haus et al., 2005, p. 3). The generally positive type, which we call inclusive governance, features an encompassing scope (Evans, 1996) supported by participatory methods and accountability. The non-encompassing type, exclusionary governance, dismisses many of the main local constituencies from networking. The in-between type, fragmented governance, features opaque networking.

Three out of nine couplings between styles and scopes of community involvement appear internally consistent:

- *Embedded autonomy and inclusive governance*. Possibly favoured by general (e.g., national) political approaches to place-based developmental policies (Barca et al., 2012; Trigilia, 2001), this meta-context is coherent with the pluralistic nature of LPSs thriving on strong social and institutional senses of belonging (Becattini, 2015) infused by shared developmental sentiments (Cooke & Morgan, 1998; Dei Ottati, 2003). Here, the main local business and social constituencies are involved directly in the dynamics of consensus and decision-making. This helps public policies and collective actions to navigate within the dilemmas of

'cooperation and competition', 'openness and closure', 'governability and flexibility' and 'accountability and efficiency' (Jessop, 1998, pp. 41–42).

- *Separation and exclusionary governance*. The prevalence of this combination reflects state dirigisme and/or place-blind government, reinforced by local public agencies that select elite business and social groups as drivers of upper-level strategies (Barca et al., 2012). External public or private agencies enter the local governance, possibly disrupting the local redistributive coalitions of a mature LPS (Garofoli, 2002; Isaksen & Trippl, 2017; Rodríguez-Pose, 2013). The games such actors will play (e.g., predatory versus exogenous development) also depend on the prevalence of either narrow or encompassing interests featuring upper-level (e.g., national) coalitions and the selective incentives that constrain their local strategies (Olson, 1982).
- *Captured and fragmented governance*. This combination signals instead a state of weakness of the meta-context (Trigilia, 2001). It reflects an ideological or de facto laxity towards particularism and free-riding that allows policymakers, together with or from within local elites, to put in place manipulations of public policies that preserve high private rents to the happy few (Putnam, 2000).

Of course, different combinations of styles and scopes of community involvement are possible.[2] However, the meta-contexts above appear quite self-consistent and correspond implicitly to typical cases within studies on the governance of collective goods in LPSs (Cooke & Morgan, 1998; Crouch et al., 2004).

Local governance and constructive place leadership

The first of the three meta-contexts of local governance suggests quite easily a relation with the typical forms dominating the PL literature recalled previously.

Sotarauta and Beer (2017) point out the structural features identifying a constructive and performative PL:

> leaders as individuals, and groups of individuals, tend to possess a greater range and depth of assets – including commitment to advancing the region – than other actors. … [PL] is less hierarchical than in conventional government or corporate settings, and relies upon, and aims to boost, consensus, trust and collaboration.
>
> (p. 212)

Concerning the strategic-performing characters of PL, Sotarauta and Beer suggest that PL has a role in influencing shared local visions about the future. This is coherent with Gibney et al. (2009), who refer to PL as a support for places that try adapting their structures consistently to the challenges of the so-called knowledge-based economy:

> At one level[,] it is concerned with facilitating interdisciplinarity across institutional boundaries, technology themes, sub-territories and professional cultures. … At another level. … [it] needs to ensure the comprehensive engagement of local communities so that they can both contribute to and benefit fully from the outcomes.
>
> (p. 10)

These PL forms are sometimes qualified as strong, strategic or constructive, although various specific factors and conditions sometimes weaken their performance (Nicholds et al., 2017) or even hamper their emergence. For instance, a place may lack leadership capabilities just because it is experiencing a depressed phase of its social or political life cycle. The result is a reduced probability of constructive performance, in conjunction with what is assessed as degraded structural characters assumed by the PL, such as the olden days' more hierarchical decision-making or the fragmented communication amongst leaders and with their stakeholders (Sotarauta et al., 2017).

The possibility that performance could be not only weak but also obstructive of positive initiatives seems to be relegated outside the realm of PL: 'This framing, or shared understanding, of PL provides social legitimization for the potentially disruptive impacts of leaders who drive or facilitate change, rather than safeguard the status quo' (Beer et al., 2019, p. 173).

Towards an expanded definition of forms of place leadership

To delineate more clearly the dark side of PL, we need to decouple its definition from necessarily constructive aims. This entails looking at the forms of PL that are more consistent with the two other types of meta-governance contexts recalled above. Indeed, the separation/exclusionary or captured/fragmented approaches to governance in LPSs can be natural contexts not only for the occurrence of hierarchical or weak forms of PL, respectively, but also for the emergence or exercise of forms of PL that deliberately hinder the potential rerouting of LPSs when hit by disruptive challenges. Furthermore, in real-word cases facing such challenges, local governance may reflect hybrid or fluid approaches, whereby public and collective resources become contested terrains for alternative forms of PL, and power struggles include strategies of rent-seeking and clientelism (Olson, 1982; Ostrom, 2003). Finally, it cannot be ruled out that starting from traditions of embedded autonomy and inclusive governance, the entropic effects of maturity in LPS might pave the way to potentially obstructive forms of PL.

Marshall (1920) warns against the risks of 'guilds or trade unions of an exceptionally obstructive character' if they assume a dominating position in an 'established centre of specialized skill' (p. 287). More recently, Cooke and Morgan (1998) suggest that in Italian established industrial districts in the 1990s, business associations, trade unions and chambers of commerce tended to 'privilege consensus and denigrate dissonance' because of the over-embeddedness of the conventional practices and institutional memories they carried (p. 75). Hassink (2005), discussing cases of mature German LPSs, argues that the density of institutional rules shared at a local

level tended to stabilize past solutions, and induced local coalitions to contain the restructuring of the industrial system.[3]

DYNAMIC STATES AND ENTREPRENEURSHIP

The reference to disruptive challenges and rerouting takes us to examine LPS dynamic states. LPS studies pivot around the idea that communities of people adapt to the complexities of modern industry by means of entrepreneurial solutions combining with social and institutional thickness. The core of such complexities is the classical dialectics between the organization of the division of labour and the extent of the market as the driver of opportunities of innovation, value creation and value distribution (Konzelmann & Wilkinson, 2017).

LPS studies contemplate two large streams of research. The first concerns the nature, factors, types and performance of LPSs (Boix et al., 2015). The ordinary way to explore such topics is to look at ideal-typical conditions of incremental adjustments along quasi-steady auto-reproductive paths, this being consistent with Marshallian evolutionary approaches to the development of division of labour and integration in industrial organizations (Becattini, 1990). The second stream concerns LPSs out of quasi-steady paths, including phases of birth, regenerative rerouting, decline or destructive exhaustion (Isaksen & Trippl, 2017; Ramazzotti, 2010). Some papers present unified accounts of different dynamic states and related policies (Bellandi, 1996; Dei Ottati, 2003; Martin & Sunley, 2011), possibly referring to historical cases moving in the long run (e.g., Popp & Wilson, 2009; Sabel & Zeitlin, 1997).

Here, the question of leadership naturally relates to that of public and private entrepreneurship at the system level. Quasi-steady development and discontinuous change in a thriving LPS are associated with different types of entrepreneurial roles (Bailey et al., 2010). The first state contemplates an 'organic' (Marshallian) entrepreneurship nested in the business and civic community at work, whereas the second involves the emergence of a more disruptive (Schumpeterian) entrepreneurship acting directly and deliberately as a 'system-level agency' (Bellandi, 1996, p. 361; Hassink et al., 2019, p. 1639). Both types are supposed to be *productive*, that is, to pursue individual returns by means of innovative solutions that also generate a social product (Baumol, 1990).

We maintain that in the first state, PL would be an expression itself of organic entrepreneurship, coordinating incremental maintenance and small adaptations (Henderson, 2020) within a stock of systemic platforms.[4] Instead, in the second state, a system-level agency would act, although not deterministically, to control and possibly modify the systemic platforms and their relations with the value creation and distribution processes embedded in the place. The lack of such a productive PL would undermine the regenerative rerouting of a LPS or leave it to fortuitous or external factors.

Evolutionary thinking and real-world cases suggest the need to consider at least two other general dynamic cases. The first, as already recalled, is of an LPS that ends to reach maturity after a prolonged period of quasi-steady development. The second is a preliminary phase of crisis that an LPS hit by a deep challenge easily suffers, that is, a period of uncertainty full of risks and opportunities (Dei Ottati, 2003). Both states contemplate contested terrains for various entrepreneurial types, and specifically the presence of types aiming at either *unproductive* (rent-seeking) or productive outcomes (Baumol, 1990; Trigilia, 2001).

We argue in what follows that different forms of PL reflect, in their nature, different types of entrepreneurship and are shaped by different models and dynamic states of LPSs and their meta-governance contexts.

FORMS OF PLACE LEADERSHIP IN LOCAL PRODUCTIVE SYSTEMS: OPEN VERSUS ENCLOSED AND LIGHT VERSUS STRONG

The above discussion underpins the classification of the forms of PL that we are proposing in this paper. PL within quasi-steady phases has, almost by definition, a constructive nature. The PL reflects its origin from the ranks of organic entrepreneurship, both public and private, and enacts a mediating role within local governance between the interests and views of the core business and the social constituencies of the place. Until such constituencies bear values aligned to the reproduction of development factors, the PL action is part of a LPS's auto-reproductive process of expanding division of labour, innovation and increasing returns (Becattini, 1990). Such PL slows down the surge of maturity, smoothing for a while the ageing effects of a prolonged success (Martin & Sunley, 2011). It is an *open* PL, as it is contestable and dependent on the ability to mediate conflicts and extract shared solutions within a well-defined frame of systemic platforms (Brusco, 1999). It is also *light* because of its maintenance and adaptive function that evolves along the auto-reproductive processes of the LPS' path expansion and renewal (Dei Ottati, 2018; Hassink et al., 2019).

An LPS that reaches the stage of maturity after a phase of prolonged success and consolidation cannot face the challenge of a shock that requires rerouting just with the help of the old light PL. The heterogeneity of threats and opportunities affecting local constituencies in search of new solutions within a structural crisis generates an unregulated variety of conflicts (Bailey et al., 2010). The light PL tends to become self-referential if not fragmented in the face of such conflicts, and therefore it becomes *weak* and ineffective in avoiding or deferring maturity effects.

The driving role of a renewed PL assuming the features of a system-level agency could avoid a messy scattering of individual and collective efforts. However, the same hampering effects of maturity might favour other outcomes, for example, old light PL just turning weak. This is also a way to read the nature of systemic (or unintended) institutional lock-in, which today characterizes some canonical Italian

industrial districts specializing in traditional manufacturing industries, where their PL seems unable to implement strategic actions within the local governance and steer the renewal of local industrial specializations (Bellandi et al., 2021).

The quasi-steady state of an LPS might be possibly accompanied by a meta-governance context of embedded autonomy and inclusive scope, as the literature tends to assume for thriving industrial districts (Bagnasco, 2009; Trigilia, 2001). If such traditions do not deteriorate quickly during the crisis, a system-level agency might emerge from the variety of industrial and social experiences of the place (Bellandi, 1996). It would take the role of a new constructive PL, still open but *strong*, able to drive the place along a phase of discontinuous change, possibly helping the LPS reroute to a new developmental path. The case of the Italian Recanati cultural district, recently shifting from the unique production of music instruments to the integration of cultural services with the old manufacturing specialization, is a good example of those virtuous mechanisms in terms of path renewal (Bellandi et al., 2021).

However, during a crisis, meta-governance becomes fuzzier, even starting from embedded autonomy and inclusive approaches. Systemic platforms become contested terrains for alternative candidates to a strong PL. In some cases, a club of powerful actors, who represent just a restricted subset of the constituencies of the place, might be able to assume a dominant role. This *enclosed* and strong PL could even try to hamper the transition to new development paths that put at risk entrenched rents for the club and its constituencies.

A final set of factors that we deem necessary to a comprehensive explanation of what shapes the different PL forms and their impact on LPS' different dynamic states is discussed below.

STRUCTURAL FEATURES OF LOCAL PRODUCTIVE SYSTEMS

This section proposes a conceptual framework to understand how the different forms of PL can be coupled to different LPS models, keeping implicit the meta-governance types previously discussed. We focus on three ideal-typical models. The first corresponds to the canonical model of the industrial district following a quasi-steady path of development. The second model refers to LPSs mainly dominated by large firms and capitalist relations. The third is a hybrid of the first two and it may reflect either quasi-steady or transitional conditions. Different models reflect specific configurations of three main structural dimensions (Konzelmann & Wilkinson, 2017): industrial organization, social structure and institutional environment. We argue that different patterns of these structural dimensions affect the emergence of different PL forms.

- *Industrial organization.* A canonical industrial district includes an expanding population of interdependent SMEs specializing in various stages of the main local manufacturing industry (Becattini, 1990). A diffused organic entrepreneurship thrives on opportunities of both collective efficiency at the system level and business specialization at the micro-level (Table 1, box a).

Some technological and market tendencies may open the door to a shift to more hierarchized organizations, especially if the population of SMEs does not have the support of appropriate systemic platforms.[5] The set of firms managing the larger and more qualified part of the core local industry would shrink to a reduced number of larger firms that coexist with a surviving but more dependent or marginal population of SMEs (e.g., De Marchi et al., 2018; Markusen, 1996; Popp & Wilson, 2009). Here, the LPS mutates from a canonical industrial district to a hybrid form, such as a model led by a few large firms (Table 1, box b) or to an oligopoly sunk in a population of SMEs (Table 1, box c).

- *Social structure.* The canonical industrial district includes a social structure of local constituencies (e.g., productive entrepreneurs/capitalists, artisans managing specialized manufacturing processes and innovation, and skilled workers) tied by networks of social relations that pivot around a core local industry and potentially support shared trust and the exchange of tacit knowledge for local transactions and entrepreneurial projects (Becattini, 1990). We refer to the presence of such networks as social capital (e.g., Evans, 1996; Trigilia, 2001). Its effective support for know-how exchange and expanded trust (Dei Ottati, 2003) depends on significant bridging relations across the core constituencies complementing the bonding relations within them (Putnam, 2000). Bridging relations allow social ties translating from 'engines of parochial interests into vehicles of more encompassing forms of organization' (Evans, 1996, p. 1125). The canonical model includes this integrated form of social capital (Table 1, box d), lowering local transaction costs and fostering collective efficiency (Bellandi, 1996; Schmitz, 1999).

Negative interferences come from various processes, such as large and non-regulated inflows of unskilled workers, reduced local investments in education/attraction of human capital or inattention to new fields of productive knowledge potentially cross-fertilizing traditional fields. They tend to fragment the LPS social structure and reduce the social capital or its support to local development (Table 1, box e). Alternatively, if associated with monopolistic tendencies, they may help capitalist polarization within the social structure (Table 1, box f). The textile district of Glarus (Switzerland) and the steel district of Solingen (Germany) in the 19th century lend interesting examples of such interferences and associated shifts (Sabel & Zeitlin, 1997).

Table 1. Relations between structural dimensions, meta-governance and place leadership (PL) in different types of local productive systems (LPSs).

	Models of local development		
Systemic structures	**Canonical industrial districts**	**LPSs dominated by large firms and capitalist relations**	**Hybrid types of industrial districts**
Industrial organization	(a) Decentralized organization of SMEs	(b) Concentrated oligopoly	(c) Oligopoly sunken in the population of SMEs
Social structure	(d) Integrated social capital	(e) Capitalist-dominated social relations	(f) Fragmented social capital
Institutional environment	(g) Rules of chorality	(h) Rules of structured socioeconomic conflict	(i) Particularism
Different types of PL (in relation to consistent sets of structural and strategic factors)	⇕ Open and light PL	⇕ Corporate leadership as a form of enclosed strong PL	⇕ Contested terrain between oligarchic PL and an open and strong PL
Meta-governance	↑ Embedded autonomy, inclusive governance	↑ Separation and exclusionary governance	↑ Captured and fragmented governance

Note: SMEs, small and medium-sized enterprises.
Source: Original elaboration by the authors.

- *Institutional environment*. The third structural factor of LPSs in our framework is their local institutional environment (Rodríguez-Pose, 2013), constituted by norms, beliefs and cultural habits (Zukauskaite et al., 2017) within more general (e.g., national) frames. It lends the rules of the game (North, 1990) to the evolving industrial and social spheres of an LPS (Brusco, 1999). Canonical industrial districts exemplify the prevalence of rules that favour the definition and selection of positive-sum solutions. Following Becattini (2015), we would refer to them as chorality rules (Table 1, box g). Instead, rules of structured socioeconomic conflicts tend to feature a polarized LPS (Table 1, box h). Finally, unregulated particularism and its variations (e.g., clientelism, familyism), along with its incentives to unproductive entrepreneurship, expand within hybrid forms, especially during periods of crisis (Table 1, box i) (Trigilia, 2001).

The next section reintegrates the relations with the types of meta-governance contexts and forms of PL.

MODELS OF LOCAL PRODUCTIVE SYSTEMS AND IMPACTS ON PLACE LEADERSHIP

The patterns of the three structural dimensions (industrial organization, social structure and institutional features) discussed in the previous section identify alternative ideal-typical LPS models. The first column of Table 1 draws the canonical industrial district (triplet a, d, g); the second column, an LPS dominated by capitalist relationships (triplet b, e, h); and the third column, a hybrid district model of development in-between the first two models (triplet c, f, i). The last ideal type may also relate to a transitionary phase in which an industrial district, hit by disruptive challenges or declining vitality, weakens its canonical features. Alternatively, the transition stabilizes the hybrid characters as in hub-and-spoke models (Markusen, 1996). Considering other interesting patterns that correspond to different (non-column) triplets of structural dimensions would be possible, but we defer this to future discussion.

The three patterns, together with related dynamical states and meta-governance contexts, have some direct implications for the nature and constitution of PL.

We have already suggested that a canonical industrial district in a quasi-steady state path is associated with an *open and light* PL. Indeed, a decentralized industrial organization, an integrated social capital, and rules of chorality along a quasi-steady state combine to demand a PL that bases its duration on broad and effective mediations for the maintenance and incremental adjustments of system platforms. Finally, we maintain that a meta-context featuring embedded autonomy and inclusive governance would generally favour openness and lightness, insofar as deep shocks do not hit the LPS. Let us take this first association as an advantage point for associating different forms of PL with the two other LPS patterns.

When a restricted set of larger firms dominates value creation and distribution, the populations of local SMEs, artisans and skilled workers cease to play a driving role within local economic strategies. If this is combined with both a polarized social structure and an institutional environment characterized by structural socioeconomic conflicts, the driving strategies for investments on local system platforms fall in the hands of the top management of the local oligopoly (De Marchi et al., 2018). This form

of enclosed strong PL, which we would call *corporate*, appears to be favoured as well by a separating and exclusionary meta-governance with its technocratic or hand-offs implications.

Finally, the pattern of a hybrid model of an industrial district is an ideal socioeconomic context either for a light PL turning weak, unable to prevent the lock-ins of a mature LPS, or for the empowerment of some leading entrepreneurs and top managers who collude with a few incumbent social and institutional actors, that is, an *oligarchic* PL. The emergence of that strong form would be particularly favoured by a meta-governance that becomes fragmented and captured. The oligarchic PL could even try to lock the LPS into obsolete markets and industrial patterns despite the availability of novel solutions that would support a possibly virtuous rerouting. For examples, this might occur when new solutions need a contamination between traditional and new productive knowledge that undermines the revenue leading actors extract from resources sunk in old business models, in a consolidated distribution of local public subsidies and tenders, or in real-estate investments. Alternatively, a new constructive PL, strong but open, may take the helm and drive a virtuous rerouting, exploiting attitudes of system-level entrepreneurship and roots of social capital that survived within the LPS fabric. As some historical cases show (e.g., Sabel & Zeitlin, 1997), the outcomes within contested terrains of hybrid forms in transition also depend on the strategies of political actors in pursuing developmental or predatory goals, and in cultivating or exploiting different meta-governance contexts.

EVIDENCE OF INTENTIONAL RESISTANCE TO CHANGE

The framework of concepts presented in previous sections does not allow drawing a fully fledged theory in which self-consistent integrated combinations of structural LPS patterns, meta-governance contexts, dynamic states and PL forms explain different PL performances. However, the framework lends a guide to the interpretation of real-world processes.

We consider here four LPSs, spanning different periods, sectors and countries, to exemplify how PL may sometimes drive a resistance to change in the face of an external shock, instead of driving rerouting. All cases present quite mature districts (or district-like cases) under the impact of disruptive challenges with signs of (1) oligopolistic business structures, (2) fragmentation or polarization in the social structure, (3) particularism or conflicts between new and transformative forces and traditional and conservative structures and (4) a captured or separated governance.

In the Cognac beverage region (France), after the crisis in the 1990s, resistance to change was conveyed by an oligarchic PL made of key leaders of the traditional main industry and other institutional local actors aiming to preserve cognac production as core business (Moodysson & Sack, 2018). Local government actors and incumbent firms created intentional barriers to entry, for example, forbidding the production of non-cognac beverages or excluding newcomers from participating in important communitarian events (i.e., the local festival). These barriers have strongly slowed down the development of a new path of local diversification.

A recent investigation in the Vicenza mechatronic district (Italy) in relation to the current digitalization and globalization challenges points out the possibility that some local intermediary business associations, in which a restricted group of actors plays a crucial role, have become conservative circles (Plechero, 2018). They seem to preserve traditional positions that are not fully in line with strategic systemic investments needed to navigate actively the opportunities of the digital transformation. Some signals of captured governance together with fragmenting social capital show an increasing risk for the district to be driven by an oligarchic PL that could resist opportunities of virtuous rerouting.

In the district of Prato (Italy), which is experiencing a long phase of shrinking of its core textile industry, some local innovators tried in the second half of the 2010s to open new digital-based and servitization processes within the same industry. However, traditional textile leaders have weakened the impact of such attempts (Bellandi & Santini, 2019). Specifically, the services offered by important business associations have remained largely devoted to traditional initiatives of lobbying, mediation and sectoral training at the local level. New systemic platforms that would have been needed to support the diffusion of digitization and servitization have not emerged. The contamination of traditional knowledge with new knowledge, as well as the possibility to expand relationships with new players outside the district, have both remained marginal.

Another remarkable example, proposed by Cho and Hassink (2009), concerns the textile district of Daegu (South Korea). At the end of the last century, the core textile industry entered the most severe crisis of its modern period. A local policy, trying to support the revitalization of the place, promoted a large-scale initiative called the 'Milano Project'. It focused, first, on new textile products, materials and dyeing technologies; and second, on agencies helping a local path of diversification towards the fashion apparel fields, such as a fashion design development centre, a dressmaking technology centre and a fashion design venture incubator. Despite these ambitious goals and the huge investments, the 'Milano Project turned into a battlefield in which lock-in conflicted with lock-out forces' (p. 1191). Lock-in forces were driven by what appears in our framework to be strong and enclosed PL based on the incumbent networks of Daegu's middle-stream textile industry (e.g., production and trading firms subcontracting to each other and local textile industry associations). Lock-out was promoted, without much success, by new networks of downstream textile entrepreneurs, researchers and designers, together with some government officials.

Historical worldwide examples of transitions from artisan-based flexible specialization to mass production in the

19th century tell about changes intertwined with what appears to have been a rising dominance of corporate PL in many industrial districts at the time (Sabel & Zeitlin, 1997). We see here that path transformation does not always turn towards high and sustainable roads of development, which points out another variation in PL studies, that is, the relation of PL with downgrading transitions. Just to recall a recent example, consider the case of the Casarano footwear district in the region of Puglia (Italy) (Capestro et al., 2014). It appears to be a hybrid district model. Two leading firms within a population of SMEs had played in the past a positive role in the development of the local footwear industry. However, the international financial crisis in 2008 undermined local social capital. Business leaders, not confronted by local political leaders, pushed cost-saving strategies and appropriated public resources addressed to local SMEs instead of driving a communitarian upgrading. This is an example of a corporate PL that has had harsh negative repercussions on the local population of SMEs and eventually on the leaders themselves.

CONCLUSIONS

The proposed conceptual framework helps expand the scope of studies on PL. Moreover, by delineating some key requisites on meta-governance contexts, structural features and dynamic states of LPSs, this paper sheds a novel light on the difficulties that such systems meet when they face deep external or internal challenges.

The conceptual framework and the case studies presented here suggest explanations to an attitude of resistance to change that goes beyond the almost undeliberate combination of institutional rigidity, business or social inertia, and ineffective or absent PL. Oligarchic or corporate forms of PL can exercise intentional and effective resistance to virtuous rerouting, playing as systemic unproductive (rent-seeking) entrepreneurs (Baumol, 1990) within redistributive coalitions (Olson, 1982). An explicit definition of such negative outcomes has significance within regional studies that, up to now, have preferentially focused on productive/constructive forms of PL. It also has specific interest in LPS studies, which normally feature cases and models of constructive collective action, against the ordinary liberal scorn for cooperation that would necessarily aim at rent-seeking collusion (Schmitz, 1999). Indeed, our framework includes, but does not give any general status to, the dark side of PL within LPS trajectories. Alternatives have to do with the history of an LPS and the market challenges it faces, as well as with policies, meta-governance and politics at a multilevel scale (Hassink et al., 2019). For example, the extension of opportunities for constructive PL forms and outcomes also rests on both dependable state bureaucracies (Evans, 1996) and approaches of national and supra-national place-based policies of development that envisage experimental governance (Morgan & Sabel, 2019) and destabilization of local redistributive coalitions (Barca, 2019).

This last point helps recall that the approaches discussed in the previous sections look at the agency foundations of regional development policies (Barca et al., 2012) from the perspective of synergy (Evans, 1996). The actors of such policies not only stand up for the interests of political parties but also they are part of a PL or must closely liaise with it.

Future research should apply the recent development of systematic methodologies of empirical analysis on agency in city and regional development (Grillitsch et al., 2021) to assess different forms of PL, including those that express an intentional resistance to change. We need more extensive evidence of such possibilities for LPSs but also for other types of places facing phases of transition and trying to reroute to new developmental paths in different geographical and historical contexts.

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NOTES

1. This happens particularly when the degree of autonomy of subnational levels of governance is high and/or when a weak central state cannot effectively control subnational levels (Bentley et al., 2017; Trigilia, 2001).
2. We could argue that embeddedness/exclusionary refers to conditions of harsh socio-political conflict, embeddedness/fragmentation to an implicit governance resting on social customs, separation/inclusion to external-led developmental strategies, and separation/fragmentation to predatory strategies. Capture seems consistent only with fragmentation.
3. On problems related to over-embeddedness and institutional density, see also, for example, Uzzi (1997) and Zukauskaite et al. (2017).
4. Systemic platforms are the main object of local governance and include the regulations of local markets, material and immaterial infrastructures, and other types of collective (public and club) goods that support or regulate collective and private initiatives as well as the distribution of value (Asheim et al., 2011; Bailey et al., 2018; Dei Ottati, 2003; Konzelmann & Wilkinson, 2017). They are specific to the business and social needs of the LPS or to some of its components (Bellandi, 1996; Crouch et al., 2004).
5. See note 4.

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